Carlsberg Malaysia

driving value

2012
annual report

The Thirst for Great resonated throughout the Company this year, which saw us driving greater value for all our stakeholders. We continued to make a positive impact in all fronts, from customers and consumers to our people and communities. A key driver of the success was the fruition of our strategy, which began three years ago by transforming a single flagship brand beer company to a dynamic brewer with a strong portfolio of premium international beer brands. This year's annual report tells the story of that journey.

What's Inside

Carlsberg Malaysia Group*

Manufacturing of beer, stout and other malt related beverages:

CARLSBERG BREWERY MALAYSIA BERHAD

KEY BRANDS MANUFACTURED (INCLUDING LICENSED PRODUCTS):
Carlsberg Green Label, Carlsberg Gold, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg 1664 Blanc, Asahi Super Dry, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Jolly Shandy, Nutrimalt.

Sales and distribution of beer, stout, wines, spirits and other beverage products are done via the following subsidiaries:

Malaysia

100%
Carlsberg Marketing Sdn Bhd

KEY BRANDS:
Carlsberg Green Label, Carlsberg Gold, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg 1664 Blanc, Asahi Super Dry, Somersby Apple Cider, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Corona Extra, Jolly Shandy, Nutrimalt.

70%
Luen Heng F & B Sdn Bhd

KEY BRANDS:
Hoegaarden, Stella Artois, Budweiser, Foster's, Erdinger, Leffe, Beck's, Savanna, Grimbergen, Tetley's English Ale and numerous other wine and spirit brands.

Singapore

100%
Carlsberg Singapore Pte Ltd

KEY BRANDS:
Carlsberg Green Label, Carlsberg Gold, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg 1664 Blanc, Somersby Apple Cider, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Corona Extra, Tetley's English Ale, Grimbergen, Jolly Shandy

Sri Lanka

24.6%
Lion Brewery (Ceylon) PLC

KEY BRANDS MANUFACTURED, SOLD AND DISTRIBUTED:
Carlsberg Green Label, Carlsberg Special Brew, Lion Lager, Lion Stout, Lion Strong Beer.

* "Carlsberg Malaysia" or "The Group"


UEFA EURO TROPHY IS NOW
6 & 7 April 2012
EURO2012
Carlsberg
Carlsberg
STADIUM


SOMERSBY
APPLE CIDER
ORIGINAL


club
Asahi
Mr Asahi
LIVE


1664

2012 achievements

1. **Carlsberg wins Gold for alcoholic beverage category at the Putra Brand Awards 2012** – The ardent support for their favourite alcoholic beverage in Malaysia was once again expressed by consumers who voted for Carlsberg; the only alcoholic beverage to win the Gold Award for an unprecedented three consecutive years.

2. **Carlsberg Malaysia receives the "JBR Best Global Relaunch" at the Carlsberg Group CEO Conference 2012** – This award was in recognition of the excellent adaptation, execution and results of Carlsberg brand in Malaysia in the global Carlsberg brand re-launch campaign across 140 markets.

3. **"Best Brand for Beer" in the Food and Beverage category goes to Carlsberg at the BrandLaureate Awards 2011-2012** – The much anticipated BrandLaureate Awards 2011-2012 saw Carlsberg receiving the award for Malaysia's Best Brand for Beer in the Food and Beverage category where selection criteria is focused on brand performance, brand strategy, integrated brand communication and brand culture.

4. **Carlsberg Malaysia was voted the "Most Trusted Brand" in the alcoholic beverage category at the Reader's Digest Most Trusted Brand Awards 2012** – For the 14th consecutive year, the readers of Reader's Digest voted Carlsberg as the Reader's Digest Most Trusted Brand in the Beer, Food and Beverage category. Since the launch of the award, the brand has constantly bagged the esteemed award for its remarkable Danish brewing recipe with purity, uniqueness and intense satisfaction being the defining attributes.

5. **Carlsberg was accorded the Grand Prize Award from Nanyang Press Holdings** – Voted by the readers of Nanyang Siang Pau and China Press, Carlsberg clinched the top award for having the most creative Chinese New Year greeting advertisement.

6. **Carlsberg Malaysia receives the "Best CSR Initiatives Award" at The Edge Billion Ringgit Club (BRC) Corporate Awards** – Carlsberg Malaysia's effort of sharing with the community was recognised by The Edge BRC, which was established three years ago, to recognise Malaysia's largest and best performing listed companies.

7. **"Where's The Party?" (WTP) campaign wins Carlsberg (Malaysia) the "Best Digital" at the Carlsberg Asia Marketing Conference 2012** – Presented in Singapore, the awards ceremony gave recognition to celebrate the very best Carlsberg marketing projects in Asia. The WTP campaign also secured runner up for Best Marketing Campaign.

8. **Carlsberg UEFA EURO 2012™ won 2 Silver and 1 Bronze at the Kancil Awards 2012** – Malaysia's largest and most prestigious advertising award recognised two Carlsberg campaign videos for their creativity. The "Juggle" viral video won silver award while the "Tattoo" viral video won a Silver in the 'Film Category' and Bronze in the 'Craft, Film Direction Category'.

9. **Carlsberg "Where's The Party?" won Gold, Best Consistency in Branding at the Marketing Event Awards** – The Marketing Events Awards recognise and honour the very best of Asia's event marketing, management and planning industry.


The People's Choice
GOLD
Carlsberg
Beverage - Alcoholic

1

2


Carlsberg

3


VOTED BY CONSUMERS
Digest
TRUSTED BRAND
2012
GOLD
Malaysia
Awarded to
Carlsberg
For the Category
Beer

4


中國報 南洋商報
2012
CHINESE NEW YEAR
GREETING ADVERTISEMENT
AWARD
MOST CREATIVE CNY AD
GRAND WINNER

5


THE EDGE
BILLION
RINGGIT Club
2012
CARLSBERG BREWERY MALAYSIA BHD

6

7


SILVER
SILVER
BRONZE

8


BEST CONSISTENCY IN BRANDING

9

Chairman's Address

Dear Shareholders,
On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Audited Financial Statements of Carlsberg Brewery Malaysia Berhad for the financial year ended 31 December 2012.

I am pleased to report that Carlsberg Malaysia is now in its third consecutive year of strong growth, which was achieved as a result of strategic foresight together with solid financial and operational performance.

The theme for this year's annual report is "Driving Value", which reflects the efforts of the company to generate significant growth and deliver results as we continuously expand our presence in the Malaysian Malt Liquor Market.

The initiative to include premium beers in our multi-brand portfolio strategy was introduced three years ago. It has enabled us to grow faster than the market, deliver double-digit profit improvement in 2012 and strengthen our position as a formidable player in the market.

Value of a Resilient Local Economic Environment

Despite the global economy being mired in the European sovereign debt crisis, contraction of the eurozone, slowing growth and demand in the emerging world and persistent concerns about the U.S. and Japanese economic recoveries, Malaysia maintained its stability and economic growth which boosted consumer confidence in 2012.

However, growth was affected by slower external demand. This resulted in a further decline in net real exports of goods and services. Nevertheless, domestic demand continued to be strong in Malaysia with the consumer price index remaining below 2%. Consumer confidence rose to a six-year high by mid-2012, which made Carlsberg Malaysia's decision to focus on premium brands even more timely.

Solid Performance Driven Growth

With the success of the multi-brand portfolio strategy, 2012 saw Carlsberg Malaysia generating an increased revenue of RM1.6 billion, a rise of 6.4% over the preceding financial year's revenue of RM1.5 billion.

The Group registered a 15.8% growth in profit after tax to reach RM193.8 million, in comparison to the 2011 profit after tax of RM167.4 million.

The strong performance came on the back of well executed consumer campaigns for our flagship brand, Carlsberg Green Label as well as the accelerated growth in the premium segment through our strong portfolio of international beer brands.

Our subsidiaries, Carlsberg Singapore Pte Ltd (CSPL) and Luen Heng F & B Sdn Bhd (LHFB), continued to deliver double digit growth in earnings for 2012. However, results declined marginally for our associate company Lion Brewery Ceylon PLC due to cost escalations as a result of depreciation in currency, increase in the cost of energy and higher interest rates on borrowings.

Growing the Value for Shareholders

Upon evaluating the Group's funding requirements, our commitment to deliver value to our shareholders is reinforced by the Board of Directors' proposal to distribute 100% of the 2012 profits.

The Board of Directors has also recommended a single tier final and special dividend of 58.0 sen per ordinary share of RM0.50 each. This brings the total dividend for the financial year 2012 to 63.0 sen per ordinary share of RM0.50 each, after taking into consideration the interim dividend of 5.0 sen per ordinary share of RM0.50 each.

This is an increase of 8.1 sen over the total net dividend of 54.9 sen per ordinary share of RM0.50 each for the financial year 2011. The final and special dividend will be tabled for shareholders' approval at the coming annual general meeting on 26 April 2013.

Driving Performance

The expansion of our premium brands portfolio and continuous efficiency improvement initiatives contributed significantly to the better performance in 2012, which saw strong revenue and profit growth.

Our flagship brand, Carlsberg Green Label, maintained its dominance by continuing to engage consumers through the successful execution of the Chinese New Year campaign, UEFA EURO football tournament, and "Where's The Party?" activation.

The expanded portfolio, which now includes Kronenbourg 1664, Asahi Super Dry and Somersby Apple Cider, as well as an exciting range of super premium beers, wines and spirits through our subsidiary, LHFB, offers consumers more lifestyle experiences.

Driving Value for the Community

Carlsberg Malaysia continued its focus on integrating Corporate Social Responsibility (CSR) throughout the entire value chain and from this year onwards will adopt the Global Reporting Initiative guidelines, which improves our level of disclosure.

Our CSR framework covers four main areas - community, environment, market place and work place - while the key policies encompass Labour and Human Rights, Marketing Communications, Health and Safety, Business Ethics, Community Engagement and Environment.

Stakeholder Engagement with the media, customers, consumers, public, academic institutions, shareholders and interest groups and employees is also a very important aspect of how we practise CSR as it helps us in managing, supporting and refining how we can create better long-term benefit as a company.

I am also pleased to note that our efforts were recognised by The Edge Billion Ringgit Club (BRC) Awards for "Best CSR Programme" for a public listed company. The inaugural award is a strong testament to Carlsberg Malaysia for its commitment and dedication in the development of education, sports and philanthropy.

Moving Forward

Supported by the expansion in private consumption and investment, domestic demand is expected to continue to be the driver of Malaysia's growth; complemented by the government's measures to boost productivity, income and consumption.

The Carlsberg brand will always be at the forefront as the most preferred beer brand in the country. The long term plan is to increase the number of brands brewed locally and to deliver value to our stakeholders.

Meanwhile, I would like to take this opportunity to welcome Mr. Roland Arthur Lawrence to the Board of Directors as a non-executive, non-independent Director.

In Appreciation

On behalf of Carlsberg Malaysia's Board of Directors, I would like to express my gratitude for the loyalty, hard work and commitment of the management team. The commendable growth achieved in 2012 is the result of their unwavering dedication as well as that of every employee.

Equally important to the achievements of 2012 are our stakeholders including our distributors, suppliers, customers and consumers. Thank you for your support.

And to our shareholders, thank you for your trust and confidence in Carlsberg Malaysia. We look forward to your continued support as we strive to drive value for each of you in 2013.

Dato' Lim Say Chong
Chairman

Shah Alam
4 April 2013

Ucapan Pengerusi

Para Pemegang Saham sekalian,
Bagi pihak Lembaga Pengarah, dengan sukacitanya saya membentangkan Laporan Tahunan dan Penyata Kewangan Diaudit Carlsberg Brewery Malaysia Berhad bagi tahun kewangan berakhir 31 Disember 2012.

Sukacitanya saya melaporkan bahawa Carlsberg Malaysia kini dalam tahun ketiga mencatatkan pertumbuhan kukuh yang dicapai hasil daripada jangkaan strategik bersama-sama prestasi kewangan dan operasi yang mantap.

Tema untuk laporan tahunan tahun ini adalah "Memacu Nilai", yang menggambarkan usaha syarikat untuk menjana pertumbuhan penting dan menjana hasil apabila kami terus mengembangkan kehadiran kami di Pasaran Minuman Keras Malt di Malaysia.

Inisiatif berkenaan yang merangkumi bir premium dalam strategi portfolio pelbagai jenama kami telah diperkenalkan tiga tahun lalu. Ia membolehkan kami berkembang dengan lebih pantas berbanding dengan pasaran, sekali gus memberikan penambahbaikan dua angka pada tahun 2012 dan mengukuhkan kedudukan kami sebagai pemain yang mengagumkan di pasaran.

Nilai Persekitaran Ekonomi Tempatan Yang Mantap

Meskipun ekonomi antarabangsa bergelut dengan krisis hutang di Eropah, pengecutan zon euro, pertumbuhan dan permintaan yang perlahan dalam dunia membangun serta keprihatinan berterusan berhubung pemulihan ekonomi Amerika Syarikat dan Jepun, Malaysia mengekalkan kestabilan dan pertumbuhan ekonominya yang menambah keyakinan pengguna pada tahun 2012.

Bagaimanapun, pertumbuhan terjejas akibat permintaan luaran yang perlahan. Ini menyebabkan penurunan berterusan dalam eksport sebenar bersih bagi barangan dan perkhidmatan. Namun, permintaan tempatan terus kukuh di Malaysia dengan indeks harga pengguna kekal pada paras di bawah 2%. Keyakinan pengguna meningkat ke peringkat paling tinggi dalam tempoh enam tahun menjelang pertengahan tahun 2012, yang menjadikan keputusan Carlsberg Malaysia untuk memberi tumpuan kepada jenama premium sememangnya tepat pada masanya.

Prestasi Mantap Memacu Pertumbuhan

Dengan kejayaan strategi portfolio pelbagai jenama, tahun 2012 menyaksikan Carlsberg Malaysia menjana peningkatan hasil pendapatan sebanyak RM1.6 bilion, peningkatan sebanyak 6.4% berbanding hasil pendapatan pada tahun sebelumnya sebanyak RM1.5 bilion.

Kumpulan mencatatkan pertumbuhan keuntungan selepas cukai sebanyak 15.8% untuk mencapai RM193.8 juta, berbanding keuntungan selepas cukai pada tahun 2011 sebanyak RM167.4 juta.

Prestasi yang kukuh ini ditunjangi oleh kempen pengguna yang dilaksanakan dengan baik untuk jenama utama kami, Carlsberg Green Label (CGL) serta pertumbuhan pantas dalam segmen premium menerusi portfolio yang kukuh bagi jenama antarabangsa kami.

Subsidiari kami, Carlsberg Singapore Pte Ltd (CSPL) dan Luen Heng F & B Sdn Bhd (LHFB), terus memperoleh pendapatan yang mencatatkan pertumbuhan dua angka bagi tahun 2012. Bagaimanapun, hasil menurun secara marginal bagi syarikat sekutu kami, Lion Brewery Ceylon PLC disebabkan kenaikan kos akibat penurunan mata wang asing, peningkatan kos tenaga dan kadar faedah pinjaman yang lebih tinggi.

Pengwujudan Nilai Pemegang Saham

Setelah menilai keperluan pembiayaan Kumpulan, komitmen untuk menyediakan nilai kepada para pemegang kami diperkukuhkan dengan saranan Lembaga Pengarah untuk mengedarkan 100% daripada keuntungan 2012.

Lembaga Pengarah turut menyarankan dividen akhir dan khas satu paras sebanyak RM0.58 sen bagi setiap saham biasa RM0.50. Ini membawa jumlah dividen bagi tahun kewangan 2012 sebanyak 63.0 sen sesaham bagi setiap saham biasa RM0.50, selepas mengambil kira dividen sementara sebanyak 5.0 sen sesaham bagi setiap saham biasa RM0.50.

Ini adalah peningkatan 8.1 sen berbanding jumlah dividen bersih sebanyak 54.9 sen sesaham bagi setiap saham biasa RM0.50 untuk tahun kewangan 2011. Dividen akhir dan khas ini akan dibentangkan untuk persetujuan para pemegang saham pada mesyuarat agung tahunan pada 26 April 2013.

Memacu Prestasi

Perkembangan portfolio jenama premium dan inisiatif penambahbaikan kecekapan yang berterusan memberi sumbangan penting kepada prestasi yang lebih baik pada tahun 2012, yang menyaksikan pertumbuhan hasil dan keuntungan yang kukuh.

Jenama utama kami, Carlsberg Green Label, mengekalkan penguasaannya dengan terus melibatkan pengguna menerusi kejayaan pelaksanaan kempen Tahun Baru Cina, pertandingan bola sepak UEFA EURO dan acara "Where's The Party?" yang berjaya.

Portfolio yang terus berkembang itu yang kini merangkumi Kronenbourg 1664, Asahi Super Dry dan Somersby Apple Cider serta rangkaian bir super premium, wain dan spirit, menerusi subsidiari kami, LHFB, menawarkan kepada pengguna dengan pengalaman gaya hidup yang lebih menarik.

Memacu Nilai untuk Masyarakat

Carlsberg Malaysia meneruskan tumpuannya dari segi menyepadukan Tanggungjawab Sosial Korporat (CSR) syarikat di seluruh rantaian nilai dan mulai tahun ini, kami akan menggunakan garis panduan Inisiatif Pelaporan Global (GRI) yang menambah baik tahap pemberitahuan kami.

Rangka kerja CSR kami merangkumi empat bidang utama - masyarakat, alam sekitar, pasaran dan tempat kerja - manakala polisi-polisi utama meliputi Hak Asasi Buruh dan Manusia, Komunikasi Pemasaran, Kesihatan dan Keselamatan, Etika Perniagaan, Penglibatan Masyarakat dan Persekitaran.

Penglibatan Pihak Berkepentingan bersama media, pelanggan, pengguna, orang ramai, institusi akademik, para pemegang saham dan kumpulan berminat serta kakitangan juga sememangnya satu aspek yang sangat penting berhubung dengan cara kami mengamalkan CSR kerana ia membantu kami dalam mengurus, menyokong dan memperhalusi cara kami bagi mencipta faedah jangka panjang yang lebih baik sebagai sebuah syarikat.

Saya juga berbangga untuk memaklumkan bahawa usaha kami telah diiktiraf oleh Anugerah The Edge Billion Ringgit Club (BRC) untuk "Program CSR Terbaik" bagi syarikat yang disenarai awam. Anugerah julung kali itu ternyata satu perakuan kukuh bagi Carlsberg Malaysia atas komitmen dan dedikasinya dalam pembanagunan pendidikan, sukan dan sumbangan amal.

Melangkah ke Hadapan

Disokong oleh pengembangan penggunaan dan pelaburan swasta, permintaan domestik dijangka terus menjadi pemacu kepada pertumbuhan Malaysia; dibantu oleh langkah-langkah kerajaan untuk merangsang produktiviti, pendapatan dan penggunaan.

Jenama Carlsberg akan terus berada di hadapan sebagai jenama bir nombor satu di negara ini. Pelan jangka panjang adalah untuk meningkatkan bilangan jenama yang dihasilkan di dalam negara dan memberikan nilai kepada pihak berkepentingan kami.

Sementara itu, saya juga ingin mengambil peluang ini untuk mengalu-alukan Encik Roland Arthur Lawrence ke Lembaga Pengarah sebagai pengarah bukan eksekutif, bukan bebas.

Penghargaan

Bagi pihak Lembaga Pengarah Carlsberg Malaysia, saya ingin merakamkan penghargaan atas kesetiaan, kerja keras dan komitmen pasukan pengurusan. Pencapaian pertumbuhan yang baik pada tahun 2012 adalah hasil dedikasi mereka yang tidak berbelah bahagi, begitu juga setiap kakitangan.

Pihak berkepentingan kami juga sama penting dalam pencapaian pada tahun 2012 ini yang meliputi para pengedar, pembekal, pelanggan dan pengguna kami. Terima kasih atas sokongan anda.

Dan kepada semua pemegang saham kami, terima kasih atas kepercayaan dan keyakinan anda pada Carlsberg Malaysia. Kami mengalu-alukan sokongan berterusan anda dalam usaha memacu nilai untuk setiap diri anda pada tahun 2013.

Dato' Lim Say Chong
Pengerusi

Shah Alam
4 April 2013

董事主席献词

敬爱的股东们，
本人代表董事会为您提呈马来西亚Carlsberg酿酒厂有限公司（马来西亚Carlsberg集团）截至2012年12月31日的年度报告和已审计财务报表。

本人很荣幸地向您汇报马来西亚Carlsberg集团连续三年取得强势增长，此成就归功于策略上的高瞻远瞩以及卓越的财务和营运绩效。

本年度报告以“驱动价值”为主题，反映本集团持续拓展集团在大马麦芽酒市场上的势力，为营造强大发展和业绩所付出的努力。

三年前，本集团开始在多元品牌组合策略中加入特级啤酒。此举使本公司增长超越市场，集团盈利在2012年以两位数的速度增加，同时巩固本集团的市场地位。

本地坚韧经济局势的重要

即使全球经济受欧洲国债危机、欧元区经济紧缩、新兴国家成长和需求放缓以及美国和日本经济复苏种种忧虑不断所累，马来西亚在2012年依然保持稳定局势和经济成长，因而促进消费者信心。

然而，国外需求量放缓依然对增长有所影响，商品和服务的净实际出口随之下跌。尽管如此，大马国内需求持强，消费者物价指数保持低于2%。2012年中旬，消费者信心已涨至六年来最高水平，使马来西亚Carlsberg集团专注于高档品牌的决策更合时宜。

卓越绩效驱动增长

随着多元品牌组合策略的成功，马来西亚Carlsberg集团2012年的营业额增至16亿令吉，比前一年的15亿令吉的营业额提高6.4%。

集团税后盈利达1亿9千375万令吉，比2011年的1亿6千738万令吉增长15.8%。

此出色表现皆因本公司旗舰品牌皇帽啤酒(Carlsberg Green Label，简称CGL)的消费者宣传活动执行得当，以及凭强大的国际品牌阵容在高档领域取得快速增长。

本集团子公司新加坡Carlsberg私人有限公司(CSPL)以及联兴食品私人有限公司（LHFB）在2012年继续达至两位数营业额增长率。然而本集团的联营公司斯里兰卡雄狮酿酒公司（Lion Brewery Ceylon PLC）基于货币贬值、能源成本提高以及借贷利息上升，造成成本上涨，致使业绩稍下跌。

为股东提升价值

在考虑到本集团融资需求后，董事会建议将集团2012年的盈利全部用来派息给股东，进一步增强本集团为股东营造价值的承诺。

董事会也建议每50仙普通股派发58仙终期和特别股息。在计入5仙的中期股息后，每50仙普通股在2012年财政年度总共获得每股63仙的股息。

在2011年财政年度，每50仙普通股获得每股54.9仙的净总股息，相比之下，本年度股息增加8.1仙。上述终期和特别股息将于2013年4月26日举行的常年股东大会上寻求股东通过。

驱动品牌表现

在本集团极力拓展特级品牌组合及不断提升效率下，2012年的业绩有显著提升，营业额和盈利增长方面均表现出色。

本公司旗舰品牌皇帽啤酒凭着有效的农历新年宣传活动、UEFA EURO足球锦标赛以及“Where’s the Party”活动吸引消费者，成功维护其市场地位。

与此同时，马来西亚Carlsberg集团也通过阵容更鼎盛的优质品牌，包括Kronenbourg 1664、Asahi Super Dry和Somersby苹果酒，以及子公司LHFB—系列精彩的特级啤酒、葡萄酒和烈酒，为消费者带来更丰富的生活体验。

为社区驱动价值

马来西亚Carlsberg集团一直不懈地专注于整合企业社会责任(CSR)与价值链，并从今年开始正式采纳全球报告倡议组织准则以提升公司的披露水平。

本集团的企业社会责任结构涉及四大领域，分别为社区、环境、市场和工作场所，其主要政策涵盖劳工人权、营销通信、卫生安全、商业道德、社区互动和环保。

在实践企业社会责任方面，公司与媒体、客户、消费者、大众、学术机构、股东和利益团体及雇员等权益持有人方面的互动扮演十分重要的角色，因为它有助于管理、支持和改进公司，以营造更优秀的长远利益。

本人也很高兴集团的付出受到认可，在The Edge Billion Ringgit Club (BRC)奖中荣获上市公司“最佳企业社会责任计划”荣誉。这首次颁发的奖项也是马来西亚Carlsberg集团在发展教育、体育和慈善事业方面的承诺和奉献的有力见证。

迈步向前

有鉴于私人消费和投资增长，加上政府采取各种刺激国内生产量、营业额和消费的措施，因此预料国内需求会继续推动马来西亚经济成长。

皇帽啤酒将继续成为国内啤酒品牌之冠。本集团的长期规划旨在增加本地酿制的品牌数量，以及为权益持有人实现其价值。

同时，我欲借此机会欢迎Roland Arthur Lawrence先生加盟董事会担任非执行、非独立董事。

鸣谢

本人谨此代表马来西亚Carlsberg集团董事会感谢管理层的忠诚、努力和追求卓越的精神。本集团在2012年的出色发展全仰仗他们以及全体员工坚持不渝的尽责奉献。

除此之外，本集团的权益持有人，包括经销商、供应商、客户和消费者对本集团2012年的成就亦同等重要。谢谢大家的鼎力支持。

本人亦在此感谢股东们对马来西亚Carlsberg集团赋予信任和信心。本集团祈望您继续给予支持，集团必在2013年致力为您驱动价值。

拿督林世宗
主席

莎亚南
2013年4月4日

தலைவரின் உரை

அன்பார்ந்தபங்குதாரர்களே,

இயக்குனர்கள் மேற்குழுவின் சார்பாக, 31 டிசம்பர் 2012 அன்றுநிறைவடைந்த நிதியாண்டுக்கான கார்ல்ஸ்பெர்க் புருவெரி மலேசியா பெர்ஹாட் நிறுவனத்தின் ஆண்டறிக்கையையும் தணிக்கை செய்த நிதி அறிக்கை வாசகங்களையு ம்மகிழ்வுடன் உங்கள் முன் சமர்ப்பிக்கிறேன்.

கார்ல்ஸ்பெர்க் மலேசியா இப்போது வலுவான வளர்ச்சிகாணும் மூன்றாவதுஆண்டில் உள்ளது என்பதை அறிவிப்பதில் எனக்கு மிக்க மகிழ்ச்சி. யுக்தி கூடிய தொலைநோக்குப் பார்வையுடன் சேர்த்து திடமான நிதி மற்றும் இயங்குதல் சாதிப்பின் விளைவாகவே இதை அடைந்துள்ளோம்.

“மதிப்பு உருவாக்க முனைப்பு” என்பதே இந்த ஆண்டறிக்கையின் மையக்கருத்தாகும். இது,மலேசிய மால்ட் மதுபானச்சந்தையில் எமது வணிகத்தை தொடர்ந்து விரிவுபடுத்திக் கொண்டிருக்கும் இவ்வேளையில் குறிப்பிடத்தக்கவளர்ச்சியை உருவாக்குவதற்கும் விளைவுப் பலன்களை எட்டுவதற்கும் இந்நிறுவனம் எடுக்கும் முயற்சிகளை பிரதிபலிப்பதாகவிளங்குகிறது.

எமது மல்டி-பிராண்டு வரிசை உத்தியில் முன்னணி பியர்களை சேர்ப்பதற்கான முனைப்பு மூன்று ஆண்டுகளுக்கு முன் அறிமுகம் செய்யப்பட்டது. இதன் பலனாக நாங்கள் சந்தையை விடவே-கமாக வளர்ச்சி காணவும், 2012 இல் இரட்டை இலக்க இலாப வளர்ச்சியை வழங்கவும்,சந்தையில் ஒருமுறியடிக்கவியலாத சக்தியாக எங்கள் நிலைப்பாட்டை வலுப்படுத்தவும் இயன்றுள்ளது.

தாங்கு சக்தி கொண்ட உள்நாட்டுப் பொருளாதார சூழலின் மதிப்பு

ஐரோப்பிய சொவ்ரீன் கடன் நெருக்கடி,யூரோஸோன் சுருங்குதல்,வளர்ந்துவரும் நாடுகளில் வளர்ச்சி மற்றும் தேவையில மந்தம்,அமெரிக்க மற்றும் ஜப்பானிய பொருளாதாரமீளுதல்கள் குறித்து நீடிக்கின்றகவலைகள் ஆகியவற்றில் உலகப் பொருளாதாரம் உழன்று கொண்டிருக்கிறபோதிலும்,மலேசியா தனது ஸ்திரத்தன்மை மற்றும் பொருளாதாரவளர்ச்சியை பராமரித்துள்ளது. இதனால் 2012 இல் நுகர்வோர் தன்னம்பிக்கை உயர்ந்துள்ளது.

எனினும்,வெளிநாட்டுத் தேவையின் வேகம் குறைந்ததால் வளர்ச்சி பாதிக்கப்பட்டு,அதன் விளைவாக, சரக்குகள் மற்றும் சேவைகளின் நிகர அசல் ஏற்றுமதிகள் மேலும் வீழ்ச்சிகண்டுள்ளன. எவ்வாறாயினும், மலேசியாவில் உள்நாட்டுத் தேவை-வலுவானநிலையில் தொடர்வதால் நுகர்வோர் விலைவாசிக் குறியீடு 2% ஐ விடகுறைவாக நீடித்து வருகிறது. 2012 நடுப்பகுதியில் நுகர்வோர் தன்னம்பிக்கை ஆறு-ஆண்டுகால உச்சநிலையை எட்டியுள்ளது.

எனவே, கார்ல்ஸ்பெர்க் மலேசியாப்ரீமியம் பிராண்டுகள் மீது கவனம் குவிக்க எடுத்த முடிவு மேலும் மிகச் சரியான தருணத்தில் அமைந்துள்ளது.

திடமானச் செயல்திறனால் இயக்கப்பட்ட வளர்ச்சி

மல்டி பிராண்டு வரிசையை வழங்கும் யுக்தி மூலம், 2012 இல் கார்ல்ஸ்பெர்க் மலேசியா நிறுவனம் மலேசிய ரிங்கிட் 1.6 பில்லியன் அளவுக்கு வருவாயை அதிகரித்துள்ளது. இது, கடந்த நிதியாண்டின் மலேசிய ரிங்கிட் 1.5பில்லியன் வருவாயை விட 6.4% உயர்வு.

எங்கள் குழுமம் வரி போக 15.8% வளர்ச்சி பதிவு செய்து மலேசிய ரிங்கிட் 193.8 மில்லியனை எட்டியுள்ளது. இதனுடன் ஒப்பிடுகையில், 2011 ஆம் ஆண்டின் இலாபம், வரி போக மலேசிய ரிங்கிட் 167.4 மில்லியனாக இருந்தது.

இந்த வலுவான சாதிப்புக்கு பின்புலமாக,கார்ல்ஸ்பெர்க் கிரீன் லேபல் (சிஜிஎல்) என்ற எமது முன்னணி பிராண்டுக்காக சிறப்பாகச் செயல்படுத்தப்பட்டநுகர்வோர் பிரச்சாரங்களும், எமது வலுவான சர்வதேசபிராண்டுகளின் வரிசை மூலம் ப்ரீமியம் பிரிவில் விரைவடைந்தவளர்ச்சியும் உள்ளன.

எமதுதுணைநிறுவனங்களான Carlsberg Singapore Pte Ltd (CSPL) and Luen Heng F & B Sdn Bhd. (LHFB) ஆகியவை தொடர்ந்து 2012 ஆம் ஆண்டுக்கான வருமானங்களிலும் இரட்டை இலக்க வளர்ச்சியை வழங்கியுள்ளன. எனினும்,நாணயமதிப்புவீழ்ச்சி,எரிசக் திவிலைஉயர்வு,கடன்கள் மீது அதிகவட்டிவிகிதங்கள் ஆகியவற்றினால் ஏற்பட்டசெலவுஅதிகரிப்பின் காரண-மாக எமது சார்புநிறுவனமானலயன் புருவெரிசிலோன் PLC நிறுவனத்திற்கு விளைவுப் பலன்கள் இலேசாக சரிவுகண்டுள்ளன.

பங்குதாரர்களுக்கு மதிப்பை மேம்படுத்துதல்

குழுமத்தின் நிதித் தேவைகளை மதிப்பிட்ட பிறகு, எங்களது பங்குதாரர்களுக்கு மதிப்பு வழங்குவோம் என்ற எங்கள் உறுதிக்கு இணங்க,குழுமத்தின் 2012 ஆம் ஆண்டின் 100 சதவீத இலாபங்களை வினியோகிக்க வேண்டும் என இயக்குனர்கள் மேற்குழு முன்மொழிவில் மேலும் வலுப்படுத்தப்பட்டுள்ளது. .

தலாமலேசிய ரிங்கிட் 0.50 மதிப்புள்ள ஒரு சாதாரண பங்குவீதம் 58.0 சென் அளவுக்குஒற்றை அடுக்கு இறுதி மற்றும் சிறப்புலாபப் பங்கையும் இயக்குனர்கள் மேற்குழுபரிந்துரைத்துள்ளது. தலா மலேசிய ரிங்கிட் 0.50 மதிப்புள்ள ஒரு சாதாரண பங்கு வீதம் 5.0 சென் இடைக்கால இலாபப் பங்கைக் கருத்தில் கொண்ட பிறகு, இது 2012 ஆம் நிதியாண்டுக்கான மொத்த இலாபப் பங்கு,தலா மலேசிய ரிங்கிட் 0.50 மதிப்புள்ள ஒரு சாதாரணபங்கு வீதத்தை 63.0 சென் ஆக ஆக்குகிறது.

இது, 2011 ஆம் நிதியாண்டில் தலா மலேசிய ரிங்கிட் 0.50 மதிப்புள்ள ஒரு சாதாரணபங்குவீதம் 54.9 சென் என்றமொத்தநிகரலாபப் பங்கைவிட 8.1 சென் அதிகமாகும். இறுதிமற்றும் சிறப்புஇலாபப் பங்கின் மதிப்பு 26 ஏப்ரல் 2013 அன்று ஆண்டுப் பொதுக் கூட்டத்தில் பங்குதாரர்களின் அங்கீகாரத்திற்காக முன்வைக்கப்படும்.

சாதிப்புமுனைப்பு

எமதுப்ரீமியம் பிராண்டுகளின் வரிசையை விரிவு படுத்தியதும்,தொடர்ச்சியான திறன்சிக்கனமேம்பாட்டுமுனைப்புகளும் 2012 ஆம் ஆண்டில் மேலும் சிறப்பானச ாதிப்புக்கு குறிப்பிடத்தக்க அளவில் பங்காற்றியுள்ளன. எனவே,வலுவான வருவாயும் இலாபவளர்ச்சியும் காணப்பட்டுள்ளன.

சைனீஸ் புத்தாண்டு பிரச்சாரம்,UEFA யூரோ கால்பந்தாட்ட போட்டிகள்,“வேர் இஸ் திபார்ட்டி?”செயலூட்டல ஆகியவற்றை வெற்றி கரமாகசெயல்படுத்திநுகர்வோர்தொடர் பாடலை நீடிப்பது மூலம் கார்ல்ஸ்பெர்க் கிரீன் லேபல் (சிஜிஎல்) என்ற எமது முன்னணி பிராண்டு தனது மேலிடத்தைதக்கவைத்துள்ளது.

க்ரோனென்போர்க் 1664,அசாஹி மற்றும் சோமர்ஸ்பிஆப்பிள் சிடர்ஆகியவையும்,எங்களது துணை நிறுவனமான LHFB வாயிலாகவழங்கப்படுகிறசூப்பர்ப்ரீமியர் பீர்கள்,ஒயின்கள் மற்றும் ஸ்பிரிட்டுகளின் ஒருபேரின்பவரிசையும் அடங்கிய எங்கள விரிவாக்கப்பட்டதயாரிப்புவரிசை நுகர்வோருக்கு அதிக வாழ்க்கை நாகரீகஅனுபவங்களை வழங்குகிறது.

சமூகத்திற்கு மதிப்பு உருவாக்கமுனைப்பு

கார்ல்ஸ்பெர்க் மலேசியா முழு மதிப்புச் சங்கிலிநெடுகவர்த்தகக் கழகசமூகப் பொறுப்பை (CSR) ஒருங்கிணைப்பதில் தனது கவனக்குவிப்பை தொடர்ந்து மேற்கொண்டது; மேலும், இந்த ஆண்டு முதல் உலக அறிக்கையளித்தல் முனைப்புவழிகாட்டல்களை பின்பற்றும். இது எங்கள் வெளிப்பாடுமட்டத்தைமேம்படுத்துவதாக உள்ளது.

எங்கள் CSR கட்டமைப்பு நான்கு முக்கிய வட்டாரங்களைஉள்ளடக்குகிறது: சமூகம்,சுற்றுச் சூழல்,சந்தை,பணியிடம். அதேவேளை எங்களது மூலக் கொள்கைகளில் தொழிலாளர் மற்றும் மனித உரிமைகள்,சந்தையிடல் தகவல்தொடர்புகள்,சுகாதாரம் மற்றும் பாதுகாப்பு,வணிகஅறநெறிகள்,சமூகத் தொடர்பாடல் மற்றும் சுற்றுச்சூழல் ஆகியவைஅடங்கியிருக்கும்.

ஊடகங்கள்,வாடிக்கையாளர்கள்,நுகர்வாளர்கள்,பொதுமக்கள்,பயிலகங்கள்,பங்குதாரர்கள் மற்றும் நலன் குழுக்கள்,பணியாளர்கள் ஆகியோருடனானபங்கீட்டு நலனாளர்உறவா-டலும் நாங்கள் எவ்வாறுஊளுசுமுயற்சியை செயல்படுத்துகிறோம் என்பதன் ஒரு மிகமுக்கியமான அம்சமாகும். ஏனென்றால்,ஒருநிறுவனம் என்றவகையில் நாங்கள் எவ்வாறுமேலும் சிறப்பாகநீண்டகாலபலனை உருவாக்குவது என்பதைநிர்வகிக்கவும் ஆதரிக்கவும் சிறப்பாக்கவும் இது உதவுகிறது.

மேலும்,ஒருபங்குச்சந்தைப் பட்டியலிட்டநிறுவனத துக்குரிய“மிகச்சிறந்தஊளுசுதிட்டத்திற்கான”திஎட்ஜ் பில்லியன் ரிங்கிட் கிளப் (BRC) பரிசுகள் எங்கள் முயற்சிகளுக்குஅங்கீகாரம் அளித்துள்ளது என்பதைக் குறிப்பிடுவதில் மகிழ்ச்சியடைகிறேன். கார்ல்ஸ்பெர்க் மலேசியாகல்வி,விளையாட்டு,கொடையளிப்பு ஆகியவற்றின் மேம்பாட்டில் காட்டிய உறுதி மற்றும் முழு ஈடுபாட்டுக்கு இந்த தொடக்கப் பரிசு ஒருவலுவானசான்றாக விளங்குகிறது.

வருங்காலம் நோக்கி

தனியார்நுகர்வு மற்றும் முதலீட்டில் ஏற்படும் விரிவாக்கத்தை துணையாகக் கொண்டு,உள்நாட்டுத் தேவை மலேசியாவின் வளர்ச்சிக்குதொடர்ந்து தூண்டுகருவியாகவிளங்கும் என எதிர்பார்க்கப்படுகிறது. இதற்குவலுவூட்டும் வகையில் உற்பத்தித் திறன்,வருமானம் மற்றும் நுகர்வைஉயர்த்துவதற்கான அரசுநடவடிக்கைகள் அமைந்திருக்கும். கார்ல்ஸ்பெர்க் எப்போதுமே நாட்டின் நெம்பர் ஒன் பீர்பிராண்டுதயாரிப்பாகவிளங்கிமுன்னணியில் இருக்கும். உள்நாட்டில் காய்ச்சித் தயாரிக்கும் பிராண்டுகளின் எண்ணிக்கையை அதிகரிப்பதும் எங்களது பங்கீட்டு நலனாளர்களுக்கு மதிப்பு வழங்குவதும் எங்களுடைய நீண்டகாலத் திட்டமாகும்.

இதற்கிடையில், இந்தச் சந்தர்ப்பத்தை பயன்படுத்தி திருரோலாண்டு ஆர்தர்லாரன்ஸ் அவர்களை ஒரு செயலாக்கம்-சாராத,சுயேட்சை-அல்லாத இயக்குனராக எங்கள் இயக்குனர்கள் மேற்குழுவிற்குவரவேற்கிறேன்.

பாராட்டுக்கள்

கார்ல்ஸ்பெர்க் மலேசியாவின் இயக்குனர்கள் மேற்குழுசார்பாக,நிர்வாகஅணியின் விசுவாசம்,உழைப்புமற்றும் உறுதிக்காகஅவர்களுக்குநான் நன்றிகூறவிரும்புகிறேன். 2012 இல் அடைந்தபாராட்டுக்குரியவளர்ச்சியின் பின்னணியில் அவர்களின் முழு ஈடுபாடும் ஒவ்வொரு பணியாளரின் முழு ஈடுபாடும் மறைந்துநிற்கின்றன.

2012 இல் அடைந்தசாதனைகளுக்கு இதேயளவுமுக்கியத்துவம் கொண்டவர்களாகவிளங்குவோர்: எங்களது வினியோகிப்பாளர்கள்,வழங்குனர்கள்,வாடிக்கையாளர்கள் மற்றும் நுகர்வாளர்கள் உள்ளிட்டஎங்களதுபங்கீட்டுநலனாளர்கள்.

எங்கள் பங்குதாரர்களுக்கு,கார்ல்ஸ்பெர்க் மலேசியா மீது நம்பிக்கையும் சார்பும் வைத்துள்ளதற்காகநன்றி. 2013 இல் உங்கள் ஒவ்வொருவருக்கும் மதிப்பு உருவாக்கமுனைந்து உழைக்கின்றஎங்களுக்கு நீங்கள் தொடர்ந்து ஆதரவுநல்கவேண்டும் எனநாங்கள் எதிர்பார்க்கிறோம்.

Dato' Lim Say Chong
Chairman

Shah Alam
4 April 2013

In 2012 we realised the results of our three-year strategy to focus on portfolio growth and premium brands. Top-line growth came largely from a combination of new brands and new outlets.

The strategy produced another successful year for Carlsberg Malaysia during which we were able to drive greater value with profits growing faster than our increased revenue, while outperforming the Malaysian Malt Liquor Market (MLM).

The year in review saw Group profit after tax grow by 15.8% (or 24.7% if excluding a one-off gain in 2011) on the back of a 6.4% increase in revenue, in comparison to 2011. This made us the fastest growing beer company in Malaysia in 2012.

Premium beers in a multi-brand portfolio strategy to enhance shareholder value

The strong results achieved reflected our commitment to leverage on our expanded portfolio i.e Asahi Super Dry, Kronenbourg 1664 and Somersby Apple Cider. This expansion has placed us in a strategic position to offer our customers and consumers more opportunities for greater differentiation and brand experiences.

The decision in 2010 to introduce premium beers in a multi-brand portfolio strategy has driven value by opening the door to many more new outlets and provide our partners and customers with a wide range of new and exciting choices.

This is complemented by the powerful synergies we have nurtured with our subsidiary, Luen Heng F&B Sdn Bhd (LHFB), which recorded a third consecutive year of double digit growth in 2012. LHFB's wide portfolio has also benefitted from Carlsberg Malaysia's extensive distribution network.

Malaysia's stability and economic growth have boosted consumer confidence in 2012 and accelerated the growth of the premium segment. The expanding portfolio also reflects current market conditions, where the battle has moved to the premium segment rather than mainstream brands to create healthy competition benefitting our customers, consumers and the industry.

The growing popularity of premium brands has also made it feasible and profitable for us to locally produce some of them. This translates to fresher beer for the market and also makes it more cost effective with zero import duties.

Carlsberg Green Label continues to lead as Malaysians' Most Preferred brand

Our flagship brand, Carlsberg Green Label has maintained its position as the most preferred beer brand in Malaysia.

Carlsberg Green Label further strengthened its position and brand health in 2012 by leveraging on its strong association with football, golf and music to drive consumption. Being the official beer sponsor of EURO 2012, our impactful through-the-line campaign delivered positive growth and further strengthened Carlsberg's association to football.

Our third "Where's the Party?" campaign emerged as another most talked about event and successfully engaged younger consumers, positioning us well for a successful and sustainable future.

Nurturing value through effectiveness & efficiency

With the adoption of the portfolio approach, Carlsberg Malaysia has changed the mindsets of our sales and distribution teams from a one-brand to a multi-brand portfolio company and new KPIs were introduced to facilitate

Managing Director's Statement

stronger accountability. With the introduction of the New Generation Distribution Model, we have successfully further integrated our sales employees and distributors and streamlined our route-to-market, resulting in improved service levels and execution.

The effort to drive value was also reflected in our determination to embed the LEAN (L-ess Waste, E-fficiency, A-gile and N-eat & Tidy) philosophy in our operations in order to enhance quality and service while reducing cost throughout the supply chain.

Our People, a key pillar to our success

Throughout 2012, we strived to create value for our people and develop an environment that attracts and retains talent for Carlsberg Malaysia. Besides career development and talent management, active engagement at the workplace was one of our key focuses in 2012 to strengthen employees' pride by being part of the Carlsberg family. Six "Thirst for Great Hour" sessions were held in 2012, and these engagement sessions occurred in conjunction with various campaigns initiated by our portfolio of brands such as EURO 2012, OktoberFest and Somersby Apple Cider launch.

The results from MyVoice 2012 (an annual employee survey to gauge the sentiments and morale of our employees) was very encouraging. We achieved a satisfactory score of 81% on Employee Engagement, which was three percentage points above Malaysia's national norm and registered an improvement compared to 2011.

We were also mindful of the value which we bring to society and the communities in which we operate by investing in the areas of education, environment and sports. Approximately RM2 million was allocated to upgrade our facilities to ensure environmental sustainability. Our Top Ten Charity programme continued to be a focused CSR community initiative where we raised approximately RM23.76 million, bringing the amount raised to RM392 million over the last 26 years.

Moving Forward

The integration of the expanded portfolio within the Carlsberg system has placed us in a stronger position to create more value, capture market share and generate new growth.

The portfolio strategy has also rejuvenated morale and motivated everyone to lift Carlsberg Malaysia to a new level as we now have the products to compete effectively.

The long-term objective is to fully transform Carlsberg Malaysia into a strong FMCG company, which will deliver a portfolio of strong brands in partnership with our customers, while creating excitement for all consumers.

The new three-year strategy will see the premium brands being developed to drive growth, while maintaining and sustaining Carlsberg's position as the number one beer brand in the country. Investments will be made to grow the premium brands to support our future growth.

While there are no major global sporting events in 2013, we will continue to leverage on the popularity of the English Premier League. Globally, Carlsberg Green Label is the official beer sponsor for the next three years, starting from September this year.

Outside the sports arena, using an effective portfolio approach, we will continue to wow our consumers with quality entertainment with more music and party events such as "Where's The Party?" by Carlsberg, "L'Aperitif Fashion" by Kronenbourg 1664, and "Club Asahi " by Asahi Super Dry.

As we continue with the transformation, we will also be focusing on our back-end operations by stepping up internal processes to optimize our operations. These include investing in systems and people.

While the beer market remains resilient, we foresee low single digit growth in 2013. The continued stability of the economy and our focus on a diverse portfolio gives us the opportunity to capitalize on the positive consumer sentiments and we aim to grow faster than the competition.

By continuing to strive to grow volume faster than the market, growing revenue faster than the volume and growing profit faster than revenue, we will drive shareholder value into the future.

Acknowledgement

To our shareholders, customers, consumers and partners, thank you for your belief in Carlsberg Malaysia and for trusting us to generate more growth with an expanding portfolio.

To the Board of Directors, I thank you for your wise guidance throughout the year.

And to my colleagues, my thanks for your initiatives, commitment and dedication as we continue to create value, growth and profit for everyone.

Soren Ravn
Managing Director

Shah Alam
4 April 2013

Management Discussion & Analysis

The five Strategic Levers, which served us well in developing the strategic framework for our three year plans, was updated in 2012 to better reflect our evolution from a single flagship brand beer company to a dynamic brewer with a portfolio of international brands that is underpinned by the Great Brands and supported by Great People, thus delivering Great Moments and reflects how we can constantly strive for greater results i.e. Thirst for Great.

Each lever is of equal importance and are collectively strategic in our journey as the Fastest Growing Brewer in Malaysia.

Consumers, Brands & Innovation	Transforming into a dynamic brewer with a portfolio of international brands has allowed Carlsberg Malaysia to connect and satisfy the diverse needs and palates of our customers and consumers.
Customers	Our customers have benefitted and grown with us under the portfolio approach, which has produced a more desirable proposition when collaborating with them to create a better experience for customers.
People	We are developing an environment of a shared culture and value system which attracts and retains talent for Carlsberg Malaysia by building a high performance culture while driving and reinforcing winning behaviour.
Effectiveness & Efficiency	Staying LEAN in our operations allows us to deliver more value by enhancing quality and service while reducing cost.
Society & Reputation	For Carlsberg Malaysia to succeed in the long term, we have to be mindful of our responsibilities to society and the communities in which we operate, where our commitment goes beyond mere profit as we strive to become a good corporate citizen, while delivering sustainable growth.

The first of its kind Carlsberg Soaring Green Dragon in 118 foot long was listed in the Malaysia's Book of Records whilst the iconic 15 foot tall Carlsberg Ambient Dragon, constructed by Carlsberg bottles replica, was well received and sought after by consumers during the Chinese New Year festivity.

Creating Value for Consumers Through Brands and Innovation

The decision we embarked upon three years ago to expand our portfolio was a direct result of our analysis of where the market was going. With consumer affluence growing, we recognised that there was a strong growth opportunity within the premium segment as well as a means to widen our product offerings to our customers.

The evolution from a single flagship brand beer company into a dynamic brewer with a portfolio of international brands has allowed Carlsberg Malaysia to develop and execute innovative world-class brand-building programmes which position, communicate, activate and sponsor activities that connect and satisfy the diverse needs and palates of our customers and consumers.

Iconizing Carlsberg

Building on the positive momentum of the global brand revamp in 2011, Carlsberg raised the bar in 2012 by taking the Carlsberg portfolio from "Trust" to "Love", which created greater value by boosting consumer loyalty.

The result was seen in the improved scores from the 2012 Brand Health tracking of the through-the-line marketing campaigns in conjunction with Chinese New Year and the UEFA EURO 2012™ championship, as well as sports sponsorships during the Maybank Malaysian Golf Open and HSBC Cobra Rugby 10's. Consumers were also rewarded through promotions and the "Where's the Party?" activation.

The Chinese New Year campaign is the biggest activity for the brand each year and in 2012 it was another success, which further drove growth in sales and equity. The campaign – which featured a soaring 118 foot Green Dragon and 15 foot tall green Ambient Dragon complemented by giveaways – received awards from the Chinese language media and played a key role in positioning Carlsberg as the most preferred beer brand during the festive period.

The brand value was enhanced further with the dynamic UEFA EURO 2012™ campaign. As the official beer sponsor of the European Championships for close to two decades, Carlsberg has built a strong association with football globally including in Malaysia. The highly successful 2012 campaign saw 100 Malaysian Carlsberg consumers and football fans going on an all-expense paid trip to Donetsk, Ukraine; the site of one of the most highly anticipated UEFA EURO 2012 semi finals.

Carlsberg also made it possible for consumers and football fans in Malaysia to view the coveted UEFA EURO 2012 trophy up close and meet football legend Peter Schmeichel. For one Malaysian football fan, David Sua, Carlsberg created a priceless moment when he presented the Carlsberg Man-of-the-Match trophy to Spanish defender Sergio Ramos.


100 REAL
UEFA EURO 2012™ FANS!
That calls for a
Carlsberg

The campaign was a huge success in terms of sales, brand innovation and consumer engagement which saw a 128% increase in its Facebook fan base. The Carlsberg UEFA EURO 2012™ “Juggle” video which went viral won a silver award while the “Tattoo” video won two awards – Silver in the ‘Film Category’ and Bronze in the “Craft, Film Direction Category” – at the Kancil Awards 2012.

Carlsberg’s 2012 “Where’s the Party?” saw the brand activation entering its second year and third party in the series was on Penang island which hosted some 1,200 party-goers from Malaysia, Hong Kong and Singapore. With participants required to sign up for a party without knowing the venue or details until the very day, it reinforced Carlsberg’s brand positioning of rewarding those who dare to step out of their comfort zone and rise up to the challenge while reflecting the brand tagline “That calls for a Carlsberg!”

Carlsberg also won its third consecutive Gold Award at the coveted Putra Brand Awards as well as Best Brand for Beer in the Food & Beverage category at the Brand Laureate Awards 2011-2012. And it was again voted by readers of the Reader’s Digest as the winner at Most Trusted Brand Award under the Beer, Food & Beverage category for the 14th consecutive year.

Driving Premium Portfolio Growth

While Carlsberg Green Label continued to reign as Malaysia’s number one beer brand, the premium beer brands – especially Kronenbourg 1664 and Asahi Super Dry – were strategic growth drivers in a market that was relatively flat in 2012.

Exciting the increasingly sophisticated and discerning consumers with diverse premium brands represents only one aspect of the engagement strategy and we will continue to entice them. Throughout the year, awareness of the brands was sustained through constant activations, which exposed consumers to the respective brands for different occasions.

A Fusion of Fashion and Pleasure with Kronenbourg 1664

Immersing consumers in the “French Art of Pleasure”, Kronenbourg 1664 has taken a unique approach that fuses happy hour and fashion through its association with prestigious lifestyle events throughout the country, which has fortified its premium standing

Kronenbourg 1664’s unique fashion platform L’Aperitif Fashion ended with an electrifying climax as it showcased the Grand Finale of the series where Hariharan Arasu, one of six dynamic young designers walked away with an award of a lifetime and priceless experiential reward – a five day one-on-one mentorship session in London with world-renowned Malaysian-born shoe designer, Tourism Malaysia Ambassador to UK and a Honorary Doctor of Arts of De Montfort University Professor Dato’ Dr Jimmy Choo, OBE.

His stint also included a visit to a shoe making studio situated at the London College of Fashion, a visit to the studios of Nicolas Georgiou, who currently designs for Austin Reed, and Peter Chow, a successful fashion entrepreneur who currently owns numerous shoe outlets and clothing ateliers all over England, as well as a one-day London fashion tour.

Kronenbourg 1664 was also present as the official beer at one of Malaysia’s top fashion showcases, MERCEDES-BENZ STYLO Fashion Grand Prix, as well as the inaugural Malaysia Model Festival Awards (MMFA), and by the second half of 2012 had gained noticeable traction in the market along with its reach into premium dining at events such as the International Gourmet Festival.

Kronenbourg 1664’s Feast of French Cuisine

Kronenbourg 1664 successfully orchestrated an astonishing gastronomic experience, featuring UK culinary expert Chef Anton Mosimann, OBE at Club Saujana and the French culinary skills of Chef Nathalie Arbefeuille at Nathalie’s Gourmet Cuisine. Accompanied by Kronenbourg 1664 lager and Kronenbourg 1664 Blanc as well as Carlsberg Malaysia’s impressive range of premium beers, they made a perfect presentation of The French Art of Culinary. Kronenbourg 1664’s journey of epicurean delights was aligned with its partnership with Malaysian International Gourmet Festival (MIGF), TimeOut KL Food Awards and other activites to inculcate the culture of food and beer pairing.

Carlsberg sent the Asia’s largest entourage of 100 Malaysian consumers to watch the UEFA EURO 2012™ Semi-Finals in Donetsk, Ukraine; and rewarded thousands of Malaysian fans with money can’t buy experience of up close view of the coveted UEFA EURO 2012 Trophy, meet and greet football legend Peter Schmeichel and numerous football viewing parties throughout the big and small cities in the country

Management Discussion & Analysis

Asahi Super Dry the fastest growing premium beer brand
Asahi Super Dry – Japan's No.1 global premium beer brand and one of Carlsberg Malaysia's most successful portfolio brands – outperformed expectations in 2012, during which volume grew more than 10 fold within a year of launch.

Asahi Super Dry's edgy, progressive and contemporary brand personality offers an exciting alternative for discerning consumers who are shifting from mainstream to premium beers with a unique experience.

It made its presence in Malaysia felt throughout 2012 through iconic events such as the tour of Mr. Asahi, the world's first robotic bartender who delivered a fun, exciting and interesting opportunity for sampling and brand building.

Club Asahi was introduced as a new party series crafted to elevate the Asahi Super Dry engagement to the next level. It was conceptualized to bring unique themes and enigmatic experiences from the most dynamic and exciting metropolises around the world right into the heart of some of Malaysia's hottest venues.

With total music mayhem, a winning combination of sights and the clean, crisp and refreshing taste of Asahi Super Dry, Club Asahi has elevated the party scene by offering guests the ultimate experience and successfully hit more than 60,000 fans in just months after it was launched. Total brand awareness reached 51% in December, exceeding the target of 30% while volume surged 35% ahead of target.

Asahi Super Dry is now set to expand its presence in the market, increase its brand affinity amongst consumers and introduce distinct engagement initiatives in the music platform in Malaysia.

Somersby Apple Cider a fast growing crowd favourite
Somersby Apple Cider, a fully imported premium cider from Sweden, made its Malaysian debut in mid-2012 and rapidly become a crowd favourite.

Sweet and fruity yet free from any artificial sweeteners, flavours or colourings, it has captured the attention of consumers as a sophisticated and refreshing alternative to beer.

A flagship cider brand owned by the Carlsberg Group, Somersby Apple Cider presents a light-hearted, quirky and contemporary persona which appeals to both men and women.

In 2012, Somersby Apple Cider received overwhelming response with both distribution and volume growing more than 30% above target. It was supported by various on-ground activation, including the Somersby Brunch Club, to drive brand awareness and trial. A string of exciting activities have been planned for it to truly sink its roots in the Malaysian market.

To strengthen our portfolio of imported premium beers, Grimbergen - a specialty beer which has proven to be a success in Belgium and France with double digit growth over the last decade - was launched and available for sale in both Peninsula and East Malaysia, through the sole distributorship of our subsidiary LHFB.

Brewed as far back as the middle ages, Grimbergen is a top fermented ale and offers a large range of blonde, brown, white as well as red fruit recipes from 6 to 6.7% alcohol content. It has its full range including Blonde, Double and Blanche in 250ml bottles.

Creating Value for Our Customers

The portfolio approach has enabled us to offer a more desirable proposition when negotiating to collaborate with potential outlets and customers. This has also helped us grow our distribution network, which in turn has helped us grow our volume and revenue.

Following the success of the New Generation Distribution Model (NGDM) piloted in 2011, this initiative was rolled out to all regions in 2012, with the main aim of transforming our traditional distributors into trusted strategic partners so that together we can capture opportunities better.

The NGDM has allowed us to minimise duplication in outlet coverage while improving service levels and execution, complemented by the launch of a new sales system to support the sales team.

This resulted in the streamlining of the distribution and sales force roles and responsibilities, with a new aligned set of KPIs introduced to change mindsets that focus on outlet execution, active buying accounts and sales revenue, in addition to just volume. Coverage of active buying accounts improved by more than 20 percentage points and an expansion of active buying accounts by 2,000 outlets.

Kronenbourg 1664, France best-selling super premium and its wheat beer Kronenboug 1664 Blanc, supported the development of Malaysian fashion industry through its L'APERITIF Fashion platform and sponsorship of various Malaysia's top fashion showcases.


Kronenbourg
1664


1664
1664


THE GREAT APPLE


SOMERSBY
APPLE CIDER

In order to gain traction and win in on-trade profitably, we embedded key account management excellence in modern on-trade and worked closely with key customers in terms of activities planning.

This included creating customised activities for individual key outlets with the right brand and consumer fit in mind with the objective to drive category growth through strong customer relationship. These partnerships included the amplification of celebrations in conjunction with Oktoberfest, Halloween and Malaysia International Gourmet Festival at key customer locations throughout the country.

To manage Carlsberg Malaysia's expanding portfolio, assortment optimization was implemented to ensure that the right brands are focused on the right sub-brand channels and this has boosted the overall profitability through better brand and pack size mix.

The Value of Our People

The value focus in 2012 was to develop an environment where we can eventually embed a shared culture and value system which attracts and retains talent for Carlsberg Malaysia.

This was done by building a high performance culture with a transparent rewards and recognition system, while driving and reinforcing winning behaviour.

There was also a focus on recruiting, retaining talent and continuously developing competencies through a clear and structured talent management process, as well as instilling a culture of leadership with a solid succession planning process.

To better understand the views of our employees the Employees Attitude Survey or MyVoice as it is now called, which gauges the sentiments and morale of our employees, revealed encouraging results which exceeded the Management Team's expectations.

Meanwhile, the Thirst for Great hour – a platform which encourages employees to participate in Great Moments that help inculcate Carlsberg's core values and culture as well as unite and motivate them - continued to strengthen employee pride in being part of the Carlsberg Family and six of these events were held in 2012 in conjunction with various great moments at Carlsberg Malaysia, allowing employees to experience it before the market does.

Among the initiatives to drive the Thirst For Great, which continued to burn among our people, was the reintroduction of the GREAT People Awards and in 2012, 12 Team Awards and 24 Individual Awards were presented.

The Thirst for Great hour is also a platform to foster greater integration between management and staff to improve team cohesiveness, breakdown silos, foster inter-department rapport and cross-functional networking.

Sales team nominees were meanwhile also given Sales Champion Mindset & Attitude training under the Carlsberg Sales Academy programme while those from the Lab and Brewing areas bonded during a retreat as they discussed ways to improve performance.

Nurturing Value Through Effectiveness & Efficiency

The LEAN (L-ess Waste, E-fficiency, A-gile and N-eat & Tidy) philosophy continued to be embedded in our operations as we strive to bring more value by enhancing quality and service while reducing cost.

In 2012, the CI LEAN programme was relaunched as we continue to identify and eliminate waste in design and production throughout the supply chain in order to achieve the most effective and sustainable systems so that we can deliver customers' expectations at a sustainable cost and with minimum waste.

It focused on a change of culture in the workplace by enhancing quality, cost, service and people by identifying and eliminating non-value added activities in design, production, supply chain management and all interacting processes.

In Carlsberg Malaysia, LEAN is promoted throughout the Supply Chain team by driving behaviour and engagement through a framework that supports bottom-up improvement and strong leadership commitment.

LEAN is promoted throughout our Supply Chain to achieve the most effective and sustainable systems and the teams formed to implement Continuous Improvement or Kaizen include Performance Management System, 5S, Total Productive Maintenance and Quick Size Changes.

Somersby Apple Cider received overwhelming response with both distribution and volume growth since its launch in mid 2012.

Management Discussion & Analysis

The goals are to eliminate waste from transportation, waiting, overproduction, inventory, motion, over-processing and defects.

Employees now actively contribute ideas to improve quality, safety, reducing cost, cleanliness, ergonomics and work simplification and those with the best ideas are rewarded with a new "Best Kaizen Award".

2012 also saw new products – Asahi Super Dry, Kronenbourg 1664 Lager and Kronenbourg Blanc – being added for local production, which were incorporated into the operations while improving in-line utilization.

On the environmental front, the installation of a new CO_2 plant which in addition to making Carlsberg Malaysia self sufficient has also reduced the cost of transportation of raw materials as well as help to reduce our carbon footprint.

Complementing LEAN is the new Carlsberg Quality Management SAP Module to monitor each step of the production process.

Being of Value: Society & Reputation

This lever reflects how, in order for us to succeed in the long term, we have to be mindful of our responsibilities to society and the communities in which we operate.

The outward looking focus of our CSR platform is the road map by which we operate and we have invested in bringing value to the communities in the areas of education, environment and sports in our commitment to go beyond mere profit and strive to become a good corporate citizen, while delivering sustainable growth.

Elements of CSR are integrated throughout our value chain, continuously reducing our impact on the environment, and improving our health and safety record – so that our decisions have a positive impact on our business and the communities in which we operate.

Our flagship "Top Ten Charity Campaign" – now in its 26th year –raised over RM392 million, supported the school building funds of more than 500 schools.

In 2012, a charity concert themed "Heart2Heart" raised RM310,000 for 27 charitable homes, associations and schools while the Carlsberg Hua Zhong Education Fund granted RM680,000 to students pursuing higher education at local institutions.

Our English Essentials programme benefitted Tamil primary school English language teachers, who received training and will in turn benefit their students.

The OCM-Carlsberg Athletes Retirement Scheme received a boost when Carlsberg Malaysia pledged RM30,000 in annual sponsorship for the insurance scheme which covers athletes who have won medals at the Asian, Commonwealth and Olympic Games. Another RM50,000 was also made as a special contribution to SportExcel, which was raised during the Carlsberg Golf Classic Charity Fund.

Detailed information on how Carlsberg Malaysia engaged with the community in 2012 can be found in our separate Corporate Social Responsibility report.

Asahi Super Dry outperformed expectations in 2012 with volume grew more than 10 fold within a year of launch. The introduction of its consumer engagement platform Club Asahi has elevated the clubbing experience in the electronic dance music scene.

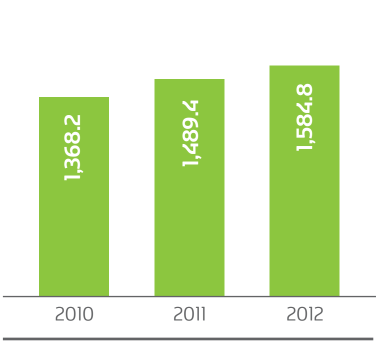

SUPER
"DRY"
Asahi
BEER
Asahi


club
Asahi

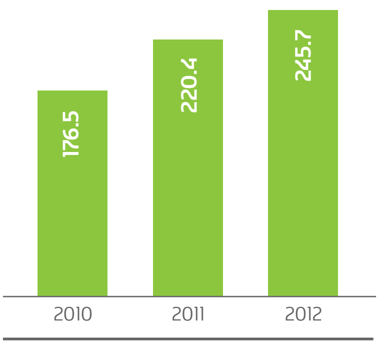

Asahi

Financial Summary

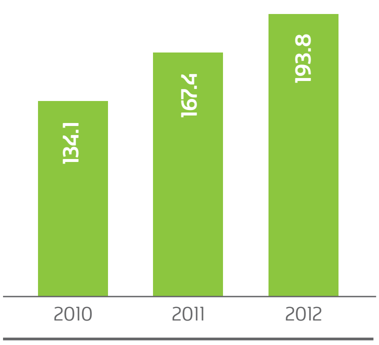
Revenue (RM Million)



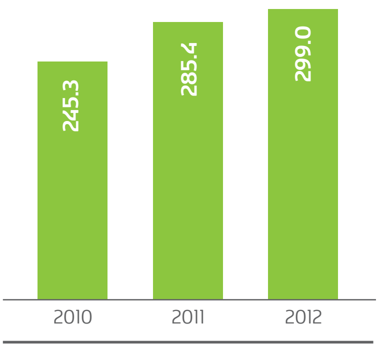
Profit Before Tax (RM Million)



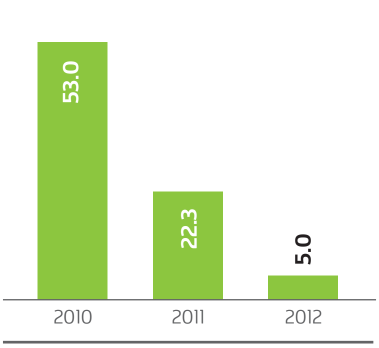
Profit After Tax (RM Million)



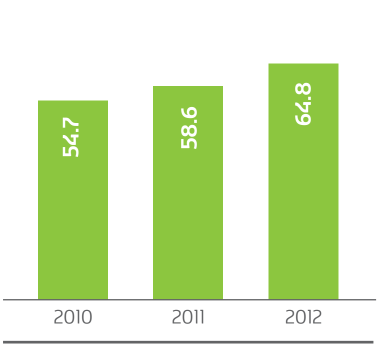
Shareholders' Fund (RM Million)

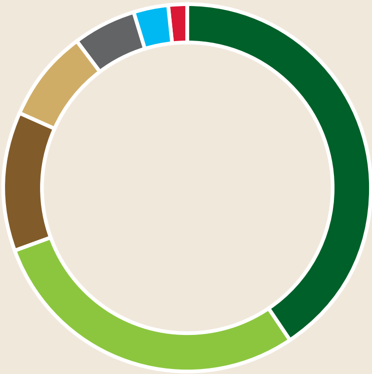


Total Borrowing (RM Million)



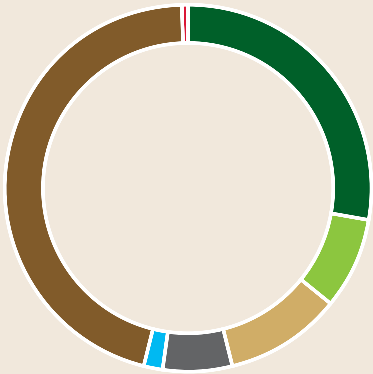
Return on Shareholders' Equity (%)





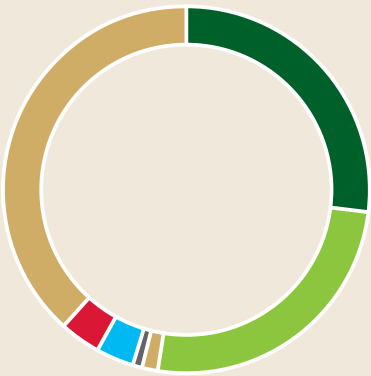
Analysis of 2012 Group Revenue

	2011	2012
Excise & Customs Duties	41.3%	**40.7%**
Sales, Distribution, Administration & other Costs	27.4%	**28.8%**
Profit After Tax	11.2%	**12.2%**
Raw & Packaging Materials Costs	10.0%	**8.3%**
Staff Costs	5.1%	**5.4%**
Taxation	3.6%	**3.2%**
Depreciation & Amortisation	1.4%	**1.4%**



Analysis of 2012 Total Assets

	2011 (Restated)	2012
Receivables, Deposits and Prepayments	41.2%	**45.8%**
Property, Plant and Equipment	26.1%	**27.8%**
Cash and Cash Equivalents	12.9%	**10.2%**
Inventories	11.1%	**8.2%**
Investments	5.9%	**6.1%**
Intangible Assets	2.1%	**1.6%**
Other Assets	0.7%	**0.3%**



Analysis of 2012 Total Liabilities & Shareholders Equity

	2011 (Restated)	2012
Payables and accruals	38.1%	**38.3%**
Share Capital	27.4%	**27.0%**
Reserves	23.4%	**25.5%**
Loans and Borrowings	4.0%	**0.9%**
Deferred Tax Liabilities	3.3%	**3.6%**
Current Tax Liabilities	3.1%	**3.3%**
Minority Interest	0.7%	**1.4%**

Financial Summary

Statements of Comprehensive Income (RM - Million)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue	702.0	796.7	867.2	929.7	897.5	960.2	1,045.5	1,368.2	1,489.4	1,584.8
Profit Before Tax	106.7	113.3	112.4	110.4	97.7	101.3	102.6	176.5	220.4	245.7
Taxation	25.5	24.6	23.7	24.5	19.2	25.2	25.9	42.4	53.0	51.9
Profit After Tax	81.2	88.7	88.7	85.9	78.5	76.1	76.7	134.1	167.4	193.8
Dividends	103.9	98.8	110.1	86.8	82.6	79.2	28.7	58.5	127.3	171.6
Retained Earnings	(22.7)	(10.1)	(21.4)	(0.9)	(4.1)	(3.1)	48.0	75.6	40.1	22.2

Statements of Financial Position (RM - Million)

								← Restated	→	
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Issued and Paid-up Share Capital	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0
Retained Earnings	355.7	345.7	324.2	323.3	319.1	316.0	363.5	91.5	130.4	148.7
Non-Distributable Reserves	14.0	12.8	13.7	11.2	10.1	10.1	9.3	11.8	13.0	8.3
Shareholders' Fund	511.7	500.5	479.9	476.5	471.2	468.1	514.8	245.3	285.4	299.0
Deferred Taxation	22.5	22.9	22.6	22.4	19.6	17.2	72.3	16.5	18.3	19.8
Minority Interest	–	–	–	–	–	1.2	1.8	2.7	3.9	7.8
	534.2	523.4	502.5	498.9	490.8	486.5	588.9	264.5	307.6	326.6
Property, Plant, Equipment and Intangible Assets (Net Book Value)	185.5	176.7	169.6	160.7	158.1	156.4	521.5	152.3	158.6	168.2
Investment in Associated Company	15.0	15.6	18.0	14.8	13.8	13.9	24.3	26.3	33.4	34.7
Long Term Investment	1.7	1.7	–	–	–	–	–	–	–	–
Net Current Assets	332.0	329.4	314.9	323.4	318.9	316.2	43.1	85.9	115.6	123.7
	534.2	523.4	502.5	498.9	490.8	486.5	588.9	264.5	307.6	326.6

Financial Ratios

	2003	2004	2005	2006	2007	2008	2009	2010 (Restated)	2011 (Restated)	2012
Pre-Tax Earnings per share (RM)* #	0.35	0.37	0.37	0.36	0.32	0.33	0.34	0.58	0.72	0.80
Post-Tax Earnings per share (RM)* #	0.27	0.29	0.29	0.28	0.26	0.25	0.25	0.44	0.55	0.63
Net Dividend per ordinary share (RM) #	0.34	0.32	0.36	0.28	0.27	0.26	0.09	0.19	0.42	0.56
Net Assets Backing per share (RM)* #	1.67	1.64	1.57	1.56	1.54	1.53	1.68	0.80	0.93	0.98
Dividend Cover, No. of Times	0.78	0.90	0.81	0.99	0.95	0.96	2.67	2.29	1.32	1.13
(Based on post-tax earnings)										
Return on Shareholders' Fund (%)	15.9	17.7	18.5	18.0	16.7	16.3	14.9	54.7	58.6	64.8
Current Ratio	5.6	5.5	4.6	4.5	4.1	3.2	1.1	1.3	1.5	1.5
Bursa Securities Price at 31 December (RM)#	5.50	5.30	5.35	5.10	4.24	3.60	4.54	6.32	8.54	12.52
Net Dividend Yield (%) ^	6.2	6.0	6.7	5.6	6.4	7.2	2.1	3.0	4.9	4.5

* Computed based on total number of shares net of Treasury shares.

For comparison purposes figures prior to 2005 were adjusted based on RM0.50 per share.

^ Net dividend yield was computed based on dividend paid out during the year divided by the share price at year end.

Five Year Dividend Payment as % of Profit After Tax

	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000
Group Profit After Tax	76,119	76,725	134,123	167,380	193,753
Net Dividend Amount Declared and Proposed for the year	28,511	52,742	133,000	167,779	192,621
Net Dividend Payment as % of Profit After Tax	37.5%	68.7%	99.2%	100.2%	99.4%

Brand Portfolio

Building a winning portfolio that meets all consumer needs and filling the opportunities in the market, especially in the premium segment, will continue to be our key focus.

Asahi Super Dry, the Japan's no.1 beer brand is brewed in a unique 'Karakuchi' style to give a clean, crisp and refreshing taste with no bitter after taste.

Kronenbourg 1664 Blanc, the wheat beer variant of Kronenbourg 1664, is cloudy with a fruity and refreshing taste and presented in a contemporary blue bottle.

Danish Royal Stout, a full-bodied stout with 8% alcohol content to bring out the best aroma and taste.

Somersby Apple Cider is a refreshing cider with a uniquely juicy apple flavour.

Carlsberg, the most preferred beer brand in Malaysia is now enjoyed by consumers in 140 markets.

Kronenbourg 1664, France's best-selling super premium beer, is specially brewed with aromatic Strisselspalt hops. This elegant beer has a crisp, citrus flavour with a floral aroma.

Brand Portfolio

Carlsberg Special Brew, a dark golden brew stands as a quality premium beer in the high alcohol category.

Carlsberg Gold, inspired by an original recipe from the 19th century, double brewed and blended to perfection.

SKOL, first brewed in 1959, is Brazil's No. 1 beer and available in more than 80 countries worldwide.

Corona, Mexico's leading national brand uniquely served with a slice of lime for that refreshing zesty flavour.

Grimbergen is a variety of specialty super premium Belgian beers. Grimbergen Double Ambree is a top fermented Abbey beer, sweet, fruity brown beer with caramel and chocolate taste.

Erdinger, top class premium wheat beer. With fine yeast. Traditionally matured in the bottle - like champagne.

Stella Artois, the No. 1 Belgian beer in the world and distributed in over 80 countries worldwide.

Jägermeister, a premium spirits from Germany, is blended with a secret recipe of 56 selected natural ingredients such as herbs, fruits and roots. It is ranked the 7th best-selling premium spirits brand worldwide in 2012.

Hoegaarden, the fastest growing imported premium beer in Malaysia, a naturally cloudy beer made from wheat for that refreshing sensation.

Budweiser, the official FIFA® World Cup Sponsor and the King of beers.

Management Team

From left:

Juliet Yap Swee Hwang
Aged 36, Malaysian
Marketing Director

Gary Tan Sim Huan
Aged 43, Malaysian
Sales Director

Kenneth Soh Chee Whye
Aged 49, Malaysian
General Manager of Luen Heng F & B Sdn Bhd

Soren Ravn
Aged 39, Danish
Managing Director

Kristian Dahl
Aged 38, Danish
Supply Chain Director

Felicia Teh Sook Ching
Aged 36, Malaysian
Human Resource Director

Lew Yoong Fah
Aged 45, Malaysian
Chief Financial Officer / Company Secretary

Bart Lim Siang Chin
Aged 43, Singaporean
General Manager of Carlsberg Singapore Pte Ltd

Management Team Profile

Soren Ravn
Aged 39, Danish
Managing Director

Mr. Ravn has been with the Carlsberg Group for over 14 years. Prior to his appointment as Managing Director of Carlsberg Malaysia in March 2010, Mr Ravn held various strategic and operational positions including Group Strategy Director in the Carlsberg global headquarters in Copenhagen, Managing Director of Carlsberg Hong Kong & Macau and also the Vice President – Supply Chain, HR and Business Development in Carlsberg Greater China.

Lew Yoong Fah
Aged 45, Malaysian
Chief Financial Officer / Company Secretary

Mr. Lew has held senior financial positions prior to his appointment as the Chief Financial Officer of Carlsberg Malaysia in January 2010, in companies such as Danone Dumex Malaysia, Philips Electronics Singapore, SSMC (JV Philips) Singapore and Philips Malaysia. In his previous position as Finance Director at Danone Dumex Malaysia, Mr. Lew also served as its Director and Company Secretary with responsibilities across Malaysia, Singapore and Brunei.

Gary Tan Sim Huan
Aged 43, Malaysian
Sales Director

Prior to his appointment as Sales Director of Carlsberg Malaysia in August 2009, Mr. Tan spent 14 years in Unilever Malaysia, during which he served as Customer Development Director as well as a Board Director, leading in areas of sales and brand management.

Juliet Yap Swee Hwang
Aged 36, Malaysian
Marketing Director

Ms. Yap joined Carlsberg Malaysia in 2007, heading the Consumer Insights function before assuming the role of Senior Manager-Strategy Development, Innovation & Research in 2008. She was subsequently promoted to Business Development Director in January 2011 to drive the Group's long term strategies and portfolio roadmap. Ms Yap was instrumental in bringing in Kronenbourg 1664 Blanc, Asahi Super Dry, and Somersby Apple Cider to strengthen the company's footprint in the fast growing premium segment. Given her strong commercial acumen and strategic mindset, she took over the role as the Marketing Director in February 2013 and is responsible for strategic development of brand portfolio, channel marketing initiatives and product innovation.

Kristian Dahl

Aged 38, Danish
Supply Chain Director

Mr. Dahl has been with the Carlsberg Group since 1999 and has worked as Brewmaster & Supply Chain Specialist in a number of markets including Carlsberg Denmark, Carlsberg UK and Group Supply Chain. Prior to his appointment as Supply Chain Director with Carlsberg Malaysia in March 2012, Mr. Dahl had worked for 5 years as Regional Technical Director in Carlsberg Indochina overseeing the supply chain operations in Vietnam, Cambodia and Laos.

Bart Lim Siang Chin

Aged 43, Singaporean
General Manager of Carlsberg Singapore Pte Ltd

Mr. Lim has accumulated 18 years of consumer industry experience in a sales and marketing role with companies such as Proctor & Gamble and Johnson & Johnson as Regional Customer Development Director. He has been the General Manager of Carlsberg Singapore since January 2009 and continued in this role subsequent to its acquisition by Carlsberg Malaysia at the end of 2009.

Kenneth Soh Chee Whye

Aged 49, Malaysian
General Manager of Luen Heng F & B Sdn Bhd

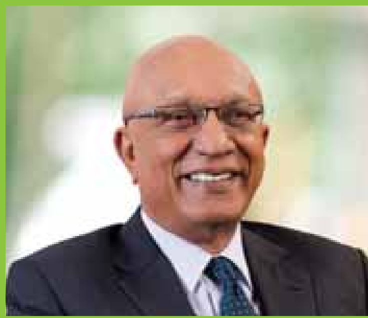
Mr. Soh began his career in financial consultancy firms Deloitte Kassim Chan & Co and KPMG, before joining his family business, Luen Heng Agency (LHA) as a Sales and Marketing Director for 15 years, dealing particularly in foreign beverage brands and import-export matters of the food and beverage industry. Subsequent to the joint-venture between Carlsberg Malaysia and LHA in November 2008, a new company called Luen Heng F&B Sdn Bhd was formed in which he was appointed as the General Manager.

Felicia Teh Sook Ching

Aged 36, Malaysian
Human Resource Director

Ms. Teh who joined Carlsberg Malaysia in November 2012 brings with her more than 14 years of work experience, having transitioned from a business consulting background to a HR Generalist. She has worked for various organisations such as PricewaterhouseCoopers, HRM Business Consulting, Genting Berhad and most recently AstraZeneca. In her previous position as Human Resource Director at AstraZeneca Malaysia and Singapore, Ms. Teh led several key initiatives in talent management, performance management and learning & development to develop a leadership culture in the organisation.

Directors' Profile



Dato' Lim Say Chong
J.S.M., D.M.P.N.
Independent Non-Executive Chairman
Member of Audit Committee
Chairman of Remuneration Committee
Chairman of Nomination Committee

Dato' Lim Say Chong, aged 72, a Malaysian, was appointed to the Board on 21 May 2003.

Dato' Lim graduated from the University of Malaya with a B.A. Honours degree in Economics and obtained a Masters in Business Administration from the University of British Columbia, Canada. He also attended an Advanced Management Programme at the Harvard Business School, Boston. Dato' Lim worked with the Imperial Chemical Industries (ICI) PLC's Group of Companies in Malaysia and abroad for 30 years, during which time he sat on the Board of several companies within the Group. He later became the Managing Director of the ICI (Malaysia) Group for 5 years. Dato' Lim was the Group Managing Director of Chemical Company of Malaysia Bhd from 1989 to 2004. Dato' Lim also served in various associations, including as President of the Malaysian International Chamber of Commerce & Industry (MICCI). He was also a Member of the National Human Resource Development Council, Board of Directors of the Malaysian Industrial Development Authority (MIDA), Board of Trustees of the Aged European Fund, Council Member of the Federation of Malaysian Manufacturers (FMM) and Board of ASEAN Chamber of Commerce & Industry (ACCI).

Dato' Lim is a Director of Mulpha International Berhad and Malaysian Carbide Industries Berhad. He is also a trustee of the Ti-Ratana Welfare Society, Standard Chartered Trust Fund and the Malaysian Economic Association Foundation, a Governor of the IACT College and the Chairman of the Malaysia-Singapore Business Council.

Soren Ravn
Managing Director

Mr Soren Ravn, aged 39, a Dane, was appointed as the Managing Director of Carlsberg Brewery Malaysia Berhad on 1 March 2010.

Mr Ravn graduated with a Higher Diploma in Organisation & Management from Copenhagen Business School in 2001. Before that he graduated as a Market Economist from Aarhus Business College in 1997.

He has been with the Carlsberg Group since 1998, initially in the Carlsberg Denmark organisation and then in Carlsberg Breweries A/S in the role of Group Strategy Director. In late 2006, he moved to Hong Kong to take up the position of Vice President - Supply Chain, HR & Business Development for Carlsberg Greater China. In August 2008, he was appointed Managing Director of Carlsberg Hong Kong & Macau and held this position before being appointed as Managing Director of Carlsberg Brewery Malaysia Berhad.

Mr Ravn is presently the Chairman of the Group's private companies namely Carlsberg Singapore Pte Ltd and Luen Heng F & B Sdn Bhd. He also sits on the Board of Carlsberg Marketing Sdn Bhd, a wholly owned subsidiary of Carlsberg Brewery Malaysia Berhad and Lion Brewery (Ceylon) PLC.

Datuk M.R. Gopala Krishnan C.R.K. Pillai
P.J.N., F.C.P.A.
Senior Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee

Datuk Krishnan, aged 73, a Malaysian, was appointed to the Board on 3 December 2007.

Datuk Krishnan is a Fellow of the Australian Society of Certified Practising Accountants (CPA Australia) and had also attended the Advanced Management Programme at the Harvard Business School. He was the Managing Director of Land & General Berhad, a position he held from 2001 to 2007. Datuk Krishnan was also the Executive Director of Antah Holdings Berhad from 1990 to 2000. Datuk Krishnan started his career at ICI Malaysia Sdn Bhd (ICI) and has held various management positions within the Group and that of Chemical Company of Malaysia Berhad. He was subsequently appointed as Managing Director of ICI Fertilisers Malaysia Sdn Bhd., ICI Industrial Chemicals Malaysia Sdn Bhd and Executive Director of Chemical Company of Malaysia Berhad. He was also the Council Member of the Federation of Malaysian Manufacturers (FMM).

Datuk Krishnan is a past President of the Malaysian International Chamber of Commerce & Industry (MICCI) and was a Committee member of PEMUDAH. Datuk Krishnan is also a Director of the Malaysian Alliance of Corporate Directors.

Roy Enzo Bagattini

Non-Executive Director

Graham James Fewkes

Non-Executive Director
Member of Audit Committee

Roland Arthur Lawrence

Non-Executive Director

Mr Roy Enzo Bagattini, aged 49, an Italian, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 28 January 2010.

Mr Bagattini has a Bachelor of Commerce degree from the University of South Africa and has also completed various business studies at Stanford University, United States of America and Oxford in the United Kingdom. Mr Bagattini previously worked for SABMiller where he was the Regional Managing Director for Eastern Europe. Prior to that, he has held senior general management positions in South Africa and the United States of America as well as being the Country Managing Director of SABMiller in India, China and Italy.

Mr Bagattini joined the Carlsberg Group in July 2009 and is presently the Senior Vice-President, Asia for Carlsberg A/S and Carlsberg Breweries A/S serving the Carlsberg Asia region, based in Hong Kong. Currently, he is part of the Executive Committee of the Carlsberg Group and also sits on the Board of several private companies within the Carlsberg Group including Carlsberg India Ptd Ltd.

Mr Graham James Fewkes, aged 45, a British national, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 12 March 2009. He is also a member of the Audit Committee.

Mr Fewkes graduated with BA Honours in History from the University of York (United Kingdom) in 1990 and subsequently worked in a range of sales and marketing roles for international companies such as Grand Metropolitan plc, Foster's Group and most recently as Commercial Director in Scottish & Newcastle plc's BBH joint-venture with the Carlsberg Group in Russia and Eastern Europe before joining the Carlsberg Group.

Mr Fewkes joined the Carlsberg Group in October 2008 and currently serves as Commercial Vice-President with responsibility for the Group's Asian and African operations. He is also a Director of Ceylon Beverage Holdings plc (Sri Lanka), Lao Brewery Co Ltd (Laos), South-East Asia Breweries Ltd (Vietnam) and also sits on the Board of several private companies within the Carlsberg Group.

Mr. Roland Arthur Lawrence, aged 54, an Australian, was appointed to the Board on 28 August 2012.

Mr. Lawrence is a Fellow Certified Practicing Accountant (FCPA) in Australia, has a Master of Enterprise from Melbourne University and a Post-Graduate Diploma in Business from Deakin University in Australia. In Singapore he obtained a Post-Graduate Diploma in Education and BA Hons, from the National University of Singapore.

Mr. Lawrence is currently the Vice President Finance, Asia of Carlsberg Breweries A/S. He is also holds directorships in Carlsberg India Pvt Ltd, Xinjian JiaNiang Investment Co., Ltd, Dali Beer Co., Ltd, Kunming Huashi Brewery Co., Ltd, Chongqing Jianiang Brewery Co., Ltd, Carlsberg Malawi Brewery Ltd. and Gorkha Brewery (P) Ltd.

He was the SVP and CFO Walmart (China) between 2008 and 2011 in China. In Australia he worked mainly for the Coles Myer Group. His roles included being the General Manager Group Planning & Finance Coles Group and General Manager Finance Coles Supermarkets.

Other Information on Directors

None of the Directors have any family relationship with any director/substantial shareholder of the Group and the Company, nor any interest in any business arrangement involving the Group and the Company. None of them have had any convictions for any offences, other than traffic offences, within the past 10 years.

Statement of Corporate Governance

The Board of Directors is fully committed to ensuring that the highest standards of corporate governance including accountability and transparency are practiced by the Company and throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

To this end, the Board continues to implement the recommendations of the Malaysian Code on Corporate Governance 2012 ("Code"), which sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The ensuing paragraphs describe the extent of how the Group has applied and complied with the principles and best practices of the Code for the financial year ended 31 December 2012.

A. Directors

I. The Board

An effective Board leads and controls the Group whereby collective decision and/or close monitoring are conducted on issues relating to strategy, performance, resources, standards of conduct and financial matters.

The Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing investor relations and reviewing internal controls.

The Board intends to meet at least four (4) times a year, with additional meetings convened where necessary. Minutes of Board meetings are duly recorded by the Company Secretary. During the financial year ended 31 December 2012, a total of four (4) Board meetings were held as follows:

1 Thursday, 23 February 2012
2 Tuesday, 29 May 2012
3 Tuesday, 28 August 2012
4 Thursday, 29 November 2012

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision.

The following is the record of attendance of the Board Members:-

Directors	No. of meetings attended
1) Dato' Lim Say Chong (Independent Non-Executive Chairman)	4/4
2) Soren Ravn (Managing Director)	4/4
3) Dato' Chin Voon Loong (Deputy Managing Director) - Passed away on 16.3.2012	0/1
4) Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director)	4/4
5) Graham James Fewkes (Non-Executive Director)	4/4
6) Roy Enzo Bagattini (Non-Executive Director)	3/4
7) Gavin Stuart Brockett (Non-Executive Director) - Resigned on 24.2.2012	1/1
8) Dato' Mohamed Razali bin Mohamed Yusoff (Independent Non-Executive Director) - Resigned on 24.2.2012	1/1
9) Roland Arthur Lawrence (Non-Executive Director) - Appointed on 28.8.2012	1/1

The Board has delegated specific responsibilities to the following Board Committees:-

1. **Audit Committee**
   The Audit Committee was established on 15 April 1994. Please refer to the Audit Committee Report for further information on page 48.

2. **Nomination Committee**
   The Nomination Committee which was established on 1 October 2001, had one (1) meeting held on 23 February 2012 during the financial year ended 31 December 2012.

   Members:
   Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman
   Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) - Member

   Key responsibilities:
   - Reviewing the Board composition and recommending new nominees to the Board as well as Board committees and the appointment and resignation of Chief Financial Officer for the Board's consideration.
   - Assessing the effectiveness of the Board, Board Committees and the contribution of each Director (including the Independent Non-Executive Directors and Managing Director) and Chief Financial Officer every year, taking into consideration the required mix of skills, knowledge, expertise and experience and other requisite qualities including core competencies contributed by Non-Executive Directors. All assessments and evaluation are documented for proper records.

3. **Remuneration Committee**
   The Remuneration Committee, which was established on 18 August 2001, had one (1) meeting held on 23 February 2012 during the financial year ended 31 December 2012.

   Members:
   Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman
   Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) - Member

   Key responsibilities:
   - Recommending the level of the Executive Directors' remuneration package.
   - Evaluating the remuneration packages of senior management executives.

II. **Board Balance**

The strong independent element of the Board has ensured a balance of power and authority. The roles and responsibilities of the Chairman and Managing Director are made clearly distinct to further enhance the existing balance of power and authority.

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. The Managing Director oversees the day to day management and running of the Group and the implementation of the Board's decisions and policies.

Currently, the Board had six (6) members, comprising five (5) Non-Executive Directors and one (1) Executive Director. Out of the five (5) Non-Executive Directors, two (2) were Independent Directors, namely Dato' Lim Say Chong who is the Chairman and Datuk M.R.Gopala Krishnan C.R.K. Pillai. The Board has also identified Datuk M.R.Gopala Krishnan C.R.K. Pillai as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The presence of Independent Non-Executive Directors ensures that issues of strategies, performance and resources proposed by the management are objectively evaluated, taking into consideration the long-term interests of shareholders, employees, customers, suppliers and other communities in which the Group conducts its business. The Independent Directors also ensure that the investment of minority shareholders is fairly reflected through Board representation.

Dato' Lim Say Chong has served the Board as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of nearly ten (10) years. The Board has recommended him to continue to act as an Independent Non-Executive Chairman based on the following justifications:-

a. He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;

b. He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion; he exercises independent judgement and has the ability to act in the best interest of the Company;

c. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;

d. He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director and Chairman of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

e. He has been providing continuity with three (3) changes of Managing Directors in his nearly ten (10) years on the Board.

Collectively, the Directors bring a wide range of business, legal, financial and technical experience relevant to the Group. The profile of each Director is summarised under pages 36 to 37 of this Annual Report.

III. Supply of Information

All Directors are furnished with a comprehensive Board File including the meeting agenda usually two (2) weeks before each Board meeting. Sufficient time is given to enable the Directors to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive.

The Board File includes, amongst others, sales and marketing development and strategies, financial results and forecasts, status of major projects, minutes of meetings of the Board and of the Audit Committee and other major operational, financial, compliance and legal issues. In addition, there is a schedule of matters reserved specifically for the Board's decision.

All Directors have access to the advice and services of the Company Secretary as well as to all information within the Group. There is also a formal procedure sanctioned by the Board of Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

IV. Appointments to the Board

The Code endorses, as good practice, the setting up of a Nomination Committee to formalise procedures for appointments to the Board. Although the Code states that this procedure may be performed by the Board as a whole, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

To this end, the Nomination Committee, all of whom are Non-Executive Directors, is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board. In 2012, one (1) new Director, namely Mr. Roland Arthur Lawrence was appointed to the Board on 28 August 2012.

The Company has an induction and education programme for new Board members, which includes a visit to the Company's brewery and discussions with the Managing Director, Department Heads and Key Section Heads to better understand the operations, business and policies of the Group, which will allow new Board members to contribute effectively from the outset of their appointment. The relevant sections of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), particularly in relation to their responsibilities as Directors, are also conveyed to them.

V. Re-election

All new Directors are subject to election at the next Annual General Meeting after their appointment in accordance with the Company's Articles of Association. The Articles of Association of the Company also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting.

Directors aged 70 years and above are required to retire at every Annual General Meeting but shall be eligible to submit themselves for re-appointment until the next Annual General Meeting in accordance with Section 129 of the Companies Act, 1965.

VI. Directors' Training

All existing Directors have attended the Mandatory Accreditation Programme (MAP) as required by Bursa Securities. During the course of the year, they have also attended other training programmes for directors and seminars on areas such as financial reporting standards, performance reviews, tax and accounting conferences that include the following:

- "Global Leadership Development Meeting", Rome, on 22-25 May 2012;
- "Bursa Malaysia Sustainability Training for Directors & Practitioner", Bursa Malaysia on 22 November 2012.

For new Directors, induction programmes are also carried out to provide them with in-depth knowledge of the Group's business and strategies.

Training for Directors will continue so as to ensure that they are kept up-to-date on developments in relevant laws and business practices and to discharge their duties effectively.

B. Directors' Remuneration

I. Remuneration Policy

The objective of the Group's remuneration policy is to attract and retain the Directors required to lead and control the Group effectively. In the case of Executive Directors, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities.

II. Remuneration Procedure

The Remuneration Committee recommends for the Board's approval, the framework of executive remuneration of the Executive Directors' remuneration package.

Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.

For the current remuneration policy, the remuneration payable to Non-Executive Directors in respect of Directors' fees are paid to Independent Non-Executive Directors only and also includes fees for Audit Committee Chairman and Audit Committee members of the Company, who are Independent Non-Executive Directors. The remuneration for Non-Executive Directors, who are Non-Independent and are representatives of the Carlsberg Group in Denmark, are not paid by the Company but are paid by the Carlsberg Group. Please refer to the tables below in item B III for the details of remuneration.

Statement of Corporate Governance

The remuneration payable in respect of Directors' fees for 2012 is categorised as follows:

Remuneration for Directors' fees	Amount (RM) per annum:
Fee for Chairman of the Company	80,000
Fee for each Independent Non-Executive Director	50,000
Fee for Audit Committee Chairman	15,000
Fee for each Independent Non-Executive Director who is a member of the Audit Committee	8,000

The Directors' fees are subject to the approval of shareholders of the Company.

III. Details of Remuneration

The aggregate remuneration of the Directors of the Company is as follows:

	2012		2011	
Total Remuneration:	Executive Directors RM'000	Non-Executive Directors RM'000	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	**–**	**160***	–	160*
Retirement benefits-defined contribution plan	**117**	**–**	224	–
Benefits-in-kind	**375**	**–**	392	–
Other emoluments	**1,830**	**–**	2,049	–
Total	**2,322**	**160**	**2,665**	**160**

*Remuneration payable for Independent Non-Executive Directors only (a total of 3, inclusive of an Independent Non-Executive Director who resigned on 24 February 2012) as explained above in B II.

The number of Directors of the Company whose total remuneration fell within the respective ranges tabulated below is as follows:

	Number of Directors			
	2012		2011	
Range of Remuneration (RM):	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
50,000 or less	–	5*	–	4*
50,001 - 100,000	–	2	–	2
150,001 - 200,000	1	–	–	–
900,001 - 950,000	–	–	1	–
1,300,001 - 1,350,000	–	–	1	–
2,100,001 - 2,150,000	1	–	–	–
Total	**2****	**7***	**2**	**6***

* Remuneration payable for Independent Non-Executive Directors only (a total of 3, inclusive of an Independent Non-Executive Director who resigned on 24 February 2012) as explained above in B II.

** inclusive of the pro-rated Director's fee payable to the Executive Director who passed away on 16 March 2012.

C. Investor Relations and Shareholder Communication

The Board recognises the importance of an effective communications channel between the Board, shareholders and general public.

The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Annual General Meeting represents the principal forum for dialogue and interaction with shareholders. At every meeting, the Board sets out the progress and performance of the Group since the last meeting held. Shareholders are encouraged to participate in the subsequent question and answer session wherein the Directors, Company Secretary, Heads of Department as well as the Group's External Auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution.

During the year, the Managing Director and/or key management personnel also hold discussions with the press and analysts when necessary, to provide information on the Group's strategy, performance and major developments. A press briefing is also held after each Annual General Meeting.

In addition, the Group maintains a website at www.carlsberg.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, frequently-asked questions (FAQs) and updates on its various sponsorships and promotions.

Statement of Corporate Governance

D. Accountability and Audit

I. Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board takes responsibility in conveying a balanced and understandable assessment of the Group's position and prospects.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 52 of this Annual Report.

II. Internal Controls

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

Ongoing reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and sufficiently resourced internal audit function as well as the Company's management team. The findings of the internal audit function are regularly reported to the Audit Committee.

III. Relationship with Auditors

The Scope of the External Auditors is ascertained by the Audit Committee, with a twice a year meeting held between the Audit Committee and the External Auditors. Further information is found in the Audit Committee Report section.

E. Related Party Transactions

The Group has established the appropriate procedures to ensure that the Company complies with the Main Market Listing Requirements of Bursa Securities relating to related party transactions. All related party transactions are reviewed by the Audit Committee and the same will be reported to the Board on a quarterly basis.

The shareholders' mandate in respect of existing and new recurrent related party transactions is obtained at the annual general meeting of the Company on a yearly basis.

Details of the recurrent related party transactions entered into by the Group during the financial year ended 31 December 2012 are set out on pages 120 to 121 of this Annual Report.

Statement on Risk Management and Internal Control

Responsibility

The Board is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility for the effectiveness of the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of these systems to safeguard shareholders' investment, customers' interest and the Group's assets. In addition, the Managing Director and Chief Financial Officer have assured the Board that the systems are operating adequately and effectively. However, such systems, by their nature, can only provide reasonable, and not absolute, assurance against material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.

Risk Management Framework

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This process is regularly reviewed by the Board and is in accordance with the "Statement of Risk Management & Internal Control: Guidance for Directors of Public Listed Issuers". The key elements of the Group's Risk Management Framework are described below :-

- **Structure**

  The Group adopts a decentralised approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsiblity of the Heads of Department.

  A working group, the Risk Management Working Committee ("RMWC"), provides risk management support to Management for the Group as a whole. The role of the RMWC includes reporting, on a quarterly basis, of the status of risk mitigation actions, new risks identified and risks that have changed characteristics together with corresponding controls. The RMWC comprising key persons from all departments, submits its reports to both the Management and the Audit Committee on a quarterly basis. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

  In 2012, the RMWC met 4 times wherein discussions and reviews were conducted on key risks faced by the Group, their corresponding controls and action plans to be taken.

- **Risk Assessment**

  The Group maintains a database of key risks specific to the Group together with their corresponding controls, which are categorised as follows :-

  - Strategic, which are risks that affect the overall direction of the business
  - Operational, which are risks that impact the delivery of the Group's products and services
  - Financial, which are risks associated with financial processes and reporting
  - Knowledge, which are risks associated with intellectual property and information resources

  During the year, the database of key risks and corresponding controls were reviewed by Internal Audit. There were no changes in the database of key risk and corresponding controls during the financial year.

Statement on Risk Management and Internal Control

Internal Control System

The key elements of the Group's internal control system are described below :-

- **Control Environment**

  The importance of a proper control environment is communicated throughout the organisation. Focus is directed towards the quality and abilities of the Group's employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Such training also includes internal briefings and external seminars for selected employees to enhance the level of awareness and knowledge on matters relating to risk management and internal controls.

- **Control Structure**

  The Board and Management have established an organisational structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of Board committees and various management levels, including authorisation levels for all aspects of the business.

  The key elements of the Group's control structure are as follows :

  Management

  - Management has introduced well-established standard operating procedures that cover all key aspects of the Group's various business processes. These policies and procedures deal with, amongst others, control issues for financial accounting and reporting, treasury management, asset security, information technology, health and safety, etc. The procedures are subject to regular reviews to cater for process changes, changing risks or further improvements.

  - Aside from the standard operating procedures, changes in internal control procedures are also communicated via circulars and internal memos. Such circulars and memos are properly authorised by the relevant members of senior management.

  - Visits by the head office personnel to sales depots.

  - Meetings with the Heads of sections/sales areas which provide a sound platform for the members of the sections/sales areas to communicate with, and provide feedback to and from, Management.

  Internal Audit

  The Group has an Internal Audit Department ("IAD") which carries out its functions and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The IAD is solely responsible for planning, implementing and reporting the audits for the Group. For this purpose, each year, the IAD :

  - Prepares a detailed Annual Audit Plan in consultation with the Managing Director for submission to the Audit Committee for approval;
  - Carries out all activities to conduct the audits in accordance with the audit plan;
  - Reports to the auditee upon completion of each audit; and
  - Submits quarterly reports to the Audit Committee.

  The Audit Committee Report set out on pages 48 to 51 of this Annual Report contains further details on the principal responsibilities and activities of the IAD in 2012.

Audit Committee
The Audit Committee, on behalf of the Board, reviews on a quarterly basis the measures undertaken on internal control issues identified by the RMWC, Internal Audit, external auditors and Management. During the year, 98 reports were issued by the IAD to the Audit Committee for their review.

The Audit Committee Report set out on pages 48 to 51 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2012.

Board
The Board holds regular discussions with the Audit Committee and Management and considers their reports on matters relating to internal controls and deliberates on their recommendations for implementation.

- **Reporting and Information**
  Annually, strategic plans are prepared by Management and form the basis for detailed budgets. The detailed budgets are prepared by business operating units and reviewed and approved by Management, the Board and the holding company.

  The monitoring of results against budget is conducted every month, with major variances followed up and management action taken, where necessary. The budget is updated every quarter for any changes in the business, financial and operating environment.

  Weekly meetings attended by Management, led by the Managing Director, are held to discuss the various aspects of the business, financial and operational performance of the Group. Key matters affecting the Group are brought to the attention of the Audit Committee and are reported to the Board on a regular basis. Management also ensures that it has the knowledge of key market information in respect of the Group's products and takes pro-active measures, as appropriate, in the best interests of the Group.

- **Monitoring and Review**
  There are processes for monitoring the system of internal controls and reporting any significant weaknesses together with details of corrective action.

  The system is reviewed on an ongoing basis by the Board (through the Audit Committee), Management, Finance Department and IAD. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the IAD, which reports directly to the Audit Committee as described above. Heads of Department are also actively involved in continually improving the control processes within their respective departments.

Review of Adequacy of Risk Management and Internal Control

The Board has reviewed and believes that the systems of internal controls are considered appropriate to business operations, and that the risks taken are at an acceptable level within the context of the business environment of the Group.

During the year, a number of improvements to internal controls were identified and addressed. There have been no significant weaknesses noted which have resulted in any material losses.

This Statement on Risk Management and Internal Control does not deal with the associated company as the Group does not have management control over its operations.

Audit Committee Report

Membership and Meetings

The Audit Committee held four (4) meetings during the financial year ended 31 December 2012. The members of the Audit Committee and the record of their attendance are as follows :-

Membership	No. of meetings attended
Datuk M.R. Gopala Krishnan C.R.K. Pillai Senior Independent Non-Executive Director – Chairman	4/4
Dato' Lim Say Chong Independent Non-Executive Director – Member	4/4
Graham James Fewkes Non-Independent Non-Executive Director – Member	4/4

The Managing Director, Chief Financial Officer, Vice President Finance (Asia), Financial Controller and Head of Internal Audit attended the meetings for the purpose of briefing the Audit Committee on the activities involving their areas of responsibilities. The Audit Committee was also briefed by the external auditor on the findings of the external audit.

The External Auditors were present at two (2) Audit Committee meetings during the financial year. At these meetings, the Audit Committee also held separate sessions with the External Auditors without the executive board members present whereby the Audit Committee was briefed by the External Auditors on their audit findings and any other observations they may have had during the audit process.

Terms of Reference

[Pursuant to Bursa Securities' recent amendments to the Listing Requirements, the listed issuer is to provide a **summary** of the terms of reference of the audit committee (as opposed to the entire terms of reference as currently prescribed), or **key functions, roles and responsibilities** of the audit committee (Paragraph 15.15(3)(b) in the Audit Committee Report].

- **Terms of membership**
  1. In accordance to the Malaysian Code on Corporate Governance (revised 2007), Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, a majority of whom are independent. All members of the Audit Committee should be Non-Executive Directors.

  2. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.

  3. At least 1 member of the Audit Committee must be or have the following :
     - a member of the Malaysian Institute of Accountants; or
     - at least three (3) years' working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
     - fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

4. In the event of any vacancy in the Audit Committee, the Board shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

5. No alternate director can be appointed as a new member of the Audit Committee.

6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once in every three (3) years.

- **Authority**

  The Audit Committee is authorised by the Board to perform the following :

  1. To investigate any matter within its terms of reference. It shall have full and unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. It shall have the resources required to perform its duties.

  2. To obtain external legal or other professional advice and secure the attendance of outsiders with relevant experience to attend, if necessary.

  3. To promptly report to the Bursa Securities, any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements ("Listing Requirements").

  4. The Head of Internal Audit shall report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit.

- **Functions**

  The functions of the Audit Committee shall be :

  1. to review the following and report the same to the Board of Directors :

     (a) with the external auditor, the audit plan;

     (b) with the external auditor, his evaluation of the system of internal controls;

     (c) with the external auditor, his audit report, including his management letter and management's response;

     (d) with the external auditor, any other matter he may wish to discuss (in the absence of management where necessary);

     (e) to consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

     (f) the assistance given by the Company's officers to the external auditor;

     (g) to approve the Internal Audit Charter of internal audit function;

     (h) the adequacy of the scope, functions and resources of the internal audit function and to ensure internal audit has full and unrestricted access to all records, activities, property and personnel necessary to perform its duties;

     (i) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

     (j) any appraisal or assessment of the performance of members of the internal audit function;

     (k) any appointment or termination of senior staff members of the internal audit function;

     (l) any resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning;

Audit Committee Report

(m) the quarterly results and year end financial statements of the Company and of the Group, prior to the approval by the Board, focusing particularly on :-

(i) changes in or implementation of major accounting policy and practices;

(ii) significant and unusual events;

(iii) compliance with accounting standards and other legal requirements;

(iv) significant adjustments arising from the audit;

(v) going concern assumption;

(n) any related party transactions and/or conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(o) any major findings of internal investigations and Management's response;

(p) the quarterly reports relating to Risk Assessment and the effectiveness and appropriateness of the Risk Management Framework; and

2. to consider any other functions as may be agreed to by the Audit Committee and the Board of Directors.

- **Meetings**
  1. Meetings shall be held not less than four (4) times a year.
  2. The quorum for each meeting shall be two Members of the Audit Committee.
  3. The Chief Financial Officer, the Head of Internal Audit and the external auditor shall normally attend meetings. Other Board members and employees may attend meetings only upon the invitation of the Audit Committee.
  4. At least twice a year, the Audit Committee shall meet with the external auditor without executive board members present. The external auditor may also request a meeting if they consider that one is necessary.
  5. The Company Secretary shall be the Secretary of the Audit Committee.

- **Reporting Procedures**

  The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

- **Summary of Activities:**

  During the financial year ended 31 December 2012, the Audit Committee performed its duties as set out in its terms of reference.

  The main activities undertaken by the Audit Committee were as follows:-

  - Reviewed the external auditors' scope of work and audit plans for the year.
  - Reviewed the results of the external audit, the audit report and the management letter, including Management's response.
  - Considered and recommended to the Board for approval of the audit fees payable.
  - Considered the independence and objectivity of the external auditors. The non-audit fees paid to the external auditors in 2012 amount to RM255,000.
  - Reviewed the Internal Audit Department's resource requirements, programmes and plan for the year under review and the annual assessment of the Department's performance.
  - Reviewed the internal audit reports, recommendations and Management's response. Discussed actions taken with Management to improve the internal controls system based on internal audit findings.

- Reviewed the Risk Management Framework and reports summarising the findings from work performed on the identification and assessment of enterprise-wide key risks.
- Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable accounting standards approved by Malaysian Accounting Standards Board ("MASB").
- Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Chief Financial Officer.
- Reviewed the Company's compliance with the Listing Requirements of the Bursa Securities, MASB and other relevant legal and regulatory requirements.
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group which included enhancement and further investment in existing products, cost rationalisation measures and human resource development.
- Reviewed the significant related party transactions entered into by the Group.
- Reviewed the extent of the Group's compliance with the provision set out under the Malaysian Code on Corporate Governance for the purpose of the Corporate Governance Statement pursuant to the Listing Requirements of the Bursa Securities.

Summary of Activities of the Internal Audit Function during the financial year ended 31 December 2012

The internal audit function is undertaken by the Internal Audit Department. The Head of Internal Audit Department reports directly to the Audit Committee. The Department's role is to undertake independent and systematic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate effectively and efficiently.

The Internal Audit Department also works collaboratively with the Risk Management Working Committee (RMWC) to review the risk management processes of the Company.

In attaining such objectives, the following activities were carried out by Internal Audit Department in 2012:

1. ascertained the extent of compliance with established policies, procedures and statutory requirements;
2. carried out investigations and special reviews;
3. assessed the means of safeguarding assets and verified their existence;
4. appraised the reliability and usefulness of the information developed within the Group for Management;
5. appraised the policies, procedures and management controls of the Group to ensure that the activities were properly managed and to promote effective controls at reasonable cost;
6. identified opportunities to improve the operations of, and processes within the Group; and
7. recommended improvements to the existing systems of controls to minimise wastage, extravagance and fraud and to enhance efficiencies by way of issuing audit reports to the appropriate level of management capable of achieving satisfactory results and ensured corrective actions were taken.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 31 December 2012 amounted to RM758,000.

Responsibility Statement by the Board of Directors

In the course of preparing the annual financial statements for the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2012, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgments and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept which enable the preparation of the financial statements with reasonable accuracy.

Financial Statements

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2012.

Principal Activities

The Company is principally engaged in the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, shandy, wine, liquor and non-alcoholic beverages. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit attributable to:		
Owners of the Company	191,632	129,292
Non-controlling interests	2,121	–
	193,753	129,292

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the Company paid:

i) a final and special dividend of 65.5 sen per RM0.50 ordinary share less tax at 25% totalling RM150.2 million (49.1 sen net per ordinary share) in respect of the year ended 31 December 2011 on 18 May 2012;

ii) a final tax exempt dividend of 2.0 sen per RM0.50 ordinary share totalling RM6.1 million in respect of the year ended 31 December 2011 on 18 May 2012; and

iii) an interim single tier dividend of 5.0 sen per RM0.50 ordinary share totalling RM15.3 million in respect of the year ended 31 December 2012 on 11 October 2012.

The Directors recommend the payment of a final and special single tier dividend of 58.0 sen per RM0.50 ordinary share totalling RM177.3 million in respect of the year ended 31 December 2012.

Directors of the Company

Directors who served since the date of the last report are:

Dato' Lim Say Chong

Datuk M.R. Gopala Krishnan C.R.K. Pillai

Graham James Fewkes

Roy Enzo Bagattini

Soren Ravn

Lawrence Roland Arthur (appointed on 28 August 2012)

Directors' Interests

The interest and deemed interest in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interest of the daughter of a Director who is not a Director of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.2012	Acquired	Disposed	At 31.12.2012
Deemed interest in the Company				
Dato' Lim Say Chong*	52,000	–	–	**52,000**

* Lim Ju Ean @ Lindsey Lim Ju Ean is the daughter of Dato' Lim Say Chong. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests of Lim Ju Ean @ Lindsey Lim Ju Ean in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of Dato' Lim Say Chong.

	Number of options over ordinary shares of DKK20 each			
	At 1.1.2012	Granted	Exercised	At 31.12.2012
Interest in the holding company				
Carlsberg A/S				
Soren Ravn	4,878	–	(1,600)	**3,278**

None of the other Directors holding office at 31 December 2012 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the holding company's Employees' Share Option Scheme.

Issue of Shares

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012

Other Statutory Information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provisions made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk M.R. Gopala Krishnan C.R.K. Pillai
Director

Soren Ravn
Managing Director

Shah Alam,
19 March 2013

Statements of Financial Position

AS AT 31 DECEMBER 2012

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Assets							
Property, plant and equipment	3	**158,442**	146,631	143,890	**135,028**	128,407	126,654
Intangible assets	4	**9,388**	11,588	7,945	**525**	4,435	546
Investments in subsidiaries	5	**–**	–	–	**393,672**	393,672	393,672
Investment in an associate	6	**34,656**	33,407	26,337	**19,936**	19,936	19,936
Investment in a jointly-controlled entity	7	**–**	–	–	**–**	–	–
Loan to a subsidiary	8	**–**	–	–	**4,848**	8,998	10,100
Other assets		**365**	356	349	**–**	–	–
Deferred tax assets	9	**863**	36	–	**–**	–	–
Total non-current assets		**203,714**	192,018	178,521	**554,009**	555,448	550,908
Inventories	10	**46,840**	62,538	48,834	**17,250**	21,669	22,419
Receivables, deposits and prepayments	8	**260,457**	231,108	207,223	**10,391**	38,638	53,627
Current tax assets		**451**	3,662	4,566	**451**	3,585	-
Cash and cash equivalents	11	**57,688**	72,196	101,370	**17,702**	9,046	34,670
Total current assets		**365,436**	369,504	361,993	**45,794**	72,938	110,716
Total assets		**569,150**	561,522	540,514	**599,803**	628,386	661,624
Equity							
Share capital	12	**154,039**	154,039	154,039	**154,039**	154,039	154,039
Reserves	12	**145,000**	131,409	91,257	**336,993**	379,316	381,912
Total equity attributable to equity holders of the Company		**299,039**	285,448	245,296	**491,032**	533,355	535,951
Non-controlling interests		**7,827**	3,916	2,696	**–**	–	–
Total equity		**306,866**	289,364	247,992	**491,032**	533,355	535,951
Liabilities							
Deferred tax liabilities	9	**20,640**	18,382	16,451	**20,494**	17,014	15,509
Total non-current liability		**20,640**	18,382	16,451	**20,494**	17,014	15,509
Payables and accruals	13	**217,917**	214,185	212,908	**88,277**	78,017	68,723
Current tax liabilities		**18,727**	17,340	10,212	**–**	–	1,135
Loans and borrowings	14	**5,000**	22,251	52,951	**–**	–	40,306
Total current liabilities		**241,644**	253,776	276,071	**88,277**	78,017	110,164
Total liabilities		**262,284**	272,158	292,522	**108,771**	95,031	125,673
Total equity and liabilities		**569,150**	561,522	540,514	**599,803**	628,386	661,624

The notes on pages 64 to 111 are an integral part of these financial statements.

Statements of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue		**1,584,780**	1,489,356	**728,037**	716,905
Cost of sales		**(1,005,232)**	(949,302)	**(689,513)**	(686,785)
Gross profit		**579,548**	540,054	**38,524**	30,120
Other income		**3,846**	3,128	**1,737**	554
Sales and distribution expenses		**(295,795)**	(275,942)	**–**	–
Administrative expenses		**(42,256)**	(44,166)	**(15,103)**	(16,584)
Other expenses		**(2,980)**	(7,038)	**(13,660)**	(6,954)
Results from operating activities		**242,363**	216,036	**11,498**	7,136
Investment income		**–**	–	**128,124**	123,502
Finance income		**654**	783	**598**	867
Finance costs		**(4,971)**	(4,385)	**(814)**	(1,954)
Operating profit	15	**238,046**	212,434	**139,406**	129,551
Share of profit of equity accounted associate, net of tax		**7,605**	7,940	**–**	–
Profit before tax		**245,651**	220,374	**139,406**	129,551
Tax expense	17	**(51,898)**	(52,994)	**(10,114)**	(4,325)
Profit for the year		**193,753**	167,380	**129,292**	125,226
Other comprehensive (expense)/income					
Foreign currency translation differences for foreign operations		**(4,016)**	1,682	**–**	–
Total comprehensive income for the year		**189,737**	169,062	**129,292**	125,226
Profit attributable to:					
Owners of the Company		**191,632**	166,160	**129,292**	125,226
Non-controlling interests		**2,121**	1,220	**–**	–
Profit for the year		**193,753**	167,380	**129,292**	125,226
Total comprehensive income attributable to:					
Owners of the Company		**187,616**	167,842	**129,292**	125,226
Non-controlling interests		**2,121**	1,220	**–**	–
Total comprehensive income for the year		**189,737**	169,062	**129,292**	125,226
Basic earnings per ordinary share (sen)	18	**62.68**	54.35		

The notes on pages 64 to 111 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

		Attributable to equity holders of the Company										
		Non-distributable						Distributable				
Group	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Exchange reserve RM'000	Capital reserve RM'000	Share option reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2011		154,039	(12,043)	7,367	–	3,931	476	–	91,526	245,296	2,696	247,992
Other comprehensive income:												
- Foreign currency translation differences for foreign operations		–	–	–	1,682	–	–	–	–	1,682	–	1,682
Profit for the year		–	–	–	–	–	–	–	166,160	166,160	1,220	167,380
Total comprehensive income for the year		–	–	–	1,682	–	–	–	166,160	167,842	1,220	169,062
Dividends to owners of the Company	19	–	–	–	–	–	–	–	(127,268)	(127,268)	–	(127,268)
Others		–	–	–	–	–	(422)	–	–	(422)	–	(422)
Total distribution to owners		–	–	–	–	–	(422)	–	(127,268)	(127,690)	–	(127,690)
At 31 December 2011		154,039	(12,043)	7,367	1,682	3,931	54	–	130,418	285,448	3,916	289,364
At 31 December 2011/1 January 2012		**154,039**	**(12,043)**	**7,367**	**1,682**	**3,931**	**54**	**–**	**130,418**	**285,448**	**3,916**	**289,364**
Other comprehensive income:												
- Foreign currency translation differences for foreign operations		**–**	**–**	**–**	**(4,016)**	**–**	**–**	**–**	**–**	**(4,016)**	**–**	**(4,016)**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**191,632**	**191,632**	**2,121**	**193,753**
Total comprehensive income for the year		**–**	**–**	**–**	**(4,016)**	**–**	**–**	**–**	**191,632**	**187,616**	**2,121**	**189,737**
Dividends to owners of the Company	19	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(171,601)**	**(171,601)**	**–**	**(171,601)**
Others		**–**	**–**	**–**	**–**	**–**	**92**	**(780)**	**(1,736)**	**(2,424)**	**1,790**	**(634)**
Total distribution to owners		**–**	**–**	**–**	**–**	**–**	**92**	**(780)**	**(173,337)**	**(174,025)**	**1,790**	**(172,235)**
At 31 December 2012		**154,039**	**(12,043)**	**7,367**	**(2,334)**	**3,931**	**146**	**(780)**	**148,713**	**299,039**	**7,827**	**306,866**

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

Company	Note	Non-distributable Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share option reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2011		154,039	(12,043)	7,367	773	385,815	535,951
Profit/Total comprehensive income for the year		–	–	–	–	125,226	125,226
Dividends to owners of the Company	19	–	–	–	–	(127,268)	(127,268)
Others		–	–	–	(554)	–	(554)
Total distribution to owners		–	–	–	(554)	(127,268)	(127,822)
At 31 December 2011/1 January 2012		**154,039**	**(12,043)**	**7,367**	**219**	**383,773**	**533,355**
Profit/Total comprehensive income for the year		**-**	**-**	**-**	**-**	**129,292**	**129,292**
Dividends to owners of the Company	19	**–**	**–**	**–**	**–**	**(171,601)**	**(171,601)**
Others		**–**	**–**	**–**	**(14)**	**–**	**(14)**
Total distribution to owners		**–**	**–**	**–**	**(14)**	**(171,601)**	**(171,615)**
At 31 December 2012		**154,039**	**(12,043)**	**7,367**	**205**	**341,464**	**491,032**

The notes on pages 64 to 111 are an integral part of these financial statements.

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from operating activities					
Profit before tax		**245,651**	220,374	**139,406**	129,551
Adjustments for:					
Amortisation of intangible assets	4	**2,281**	1,004	**650**	507
Depreciation of property, plant and equipment	3	**19,593**	19,086	**12,940**	12,535
Property, plant and equipment written off		**26**	196	**20**	16
(Gain)/Loss on disposal of property, plant and equipment		**(1,143)**	(2,182)	**(92)**	559
Dividend income from subsidiaries		**–**	–	**(126,457)**	(121,337)
Dividend income from associate		**–**	–	**(1,667)**	(2,165)
Allowance for inventories write down/(back)		**733**	1,832	**(246)**	725
Inventories written off		**3,323**	4,227	**98**	3,161
Impairment loss on receivables		**850**	11,978	**–**	–
Loss/(Gain) on unrealised foreign exchange		**707**	(475)	**124**	151
Finance income		**(654)**	(783)	**(598)**	(867)
Finance costs		**4,971**	4,385	**814**	1,954
Share of profit after tax of equity accounted associate		**(7,605)**	(7,940)	**–**	–
Share of net liability of jointly-controlled entity arising from restructuring		**–**	–	**11,655**	–
Others		**573**	(100)	**585**	(172)
Operating profit before changes in working capital		**269,306**	251,602	**37,232**	24,618
Changes in working capital:					
Inventories		**5,866**	(19,763)	**4,567**	(3,136)
Receivables, deposits and prepayments		**(60,628)**	(35,462)	**28,240**	15,008
Payables and accruals		**29,505**	1,354	**10,051**	9,253
Cash generated from operations		**244,049**	197,731	**80,090**	45,743
Taxes paid		**(45,872)**	(43,191)	**(3,500)**	(7,540)
Net cash from operating activities		**198,177**	154,540	**76,590**	38,203
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	**(31,841)**	(27,701)	**(19,611)**	(19,581)
Acquisition of intangible assets	4	**(1,380)**	(767)	**(225)**	(474)
Dividend received from subsidiaries		**–**	–	**126,457**	121,337
Dividend received from an associate		**1,667**	2,165	**1,667**	2,165
Interest received		**654**	783	**598**	867
Repayment from subsidiary		**–**	–	**4,150**	1,102
Proceeds from disposal of property, plant and equipment		**1,311**	3,943	**119**	796
Transfer of property, plant and equipment to a subsidiary	3	**–**	–	**3**	–
Transfer of intangible assets to a subsidiary	4	**–**	–	**3,485**	–
Payment of share of net liability of jointly-controlled entity		**–**	–	**(11,655)**	–
Others		**(780)**	–	**–**	–
Net cash (used in)/generated from investing activities		**(30,369)**	(21,577)	**104,988**	106,212

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from financing activities					
Dividends paid to shareholders of the Company	19	**(171,601)**	(127,268)	**(171,601)**	(127,268)
Interest paid		**(4,971)**	(4,385)	**(814)**	(1,954)
Reimbursement to ultimate holding company for share options granted to employees of the Group		**(600)**	(382)	**(600)**	(382)
Net repayment of short-term borrowings		**(4,947)**	(30,700)	**-**	(40,306)
Net cash used in financing activities		**(182,119)**	(162,735)	**(173,015)**	(169,910)
Net (decrease)/increase in cash and cash equivalents		**(14,311)**	(29,772)	**8,563**	(25,495)
Effect of exchange rate fluctuation on cash held		**(197)**	598	**93**	(129)
Cash and cash equivalents at 1 January		**72,196**	101,370	**9,046**	34,670
Cash and cash equivalents at 31 December	(i)	**57,688**	72,196	**17,702**	9,046

(i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following statements of financial position amounts:

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Deposits with licensed banks		**2,030**	1,554	**1,430**	1,554
Cash and bank balances		**55,658**	70,642	**16,272**	7,492
Cash and cash equivalents	11	**57,688**	72,196	**17,702**	9,046

Notes to the Financial Statements

Carlsberg Brewery Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

No. 55, Persiaran Selangor,
Section 15, 40200 Shah Alam,
Selangor Darul Ehsan, Malaysia.

The consolidated financial statements as at and for the financial year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate and a jointly-controlled entity. The financial statements of the Company as at and for the financial year ended 31 December 2012 do not include other entities.

The Company is principally engaged in the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, shandy, wine, liquor and non-alcoholic beverages.

The immediate and ultimate holding companies during the financial year are Carlsberg Breweries A/S and Carlsberg A/S respectively. Both companies are incorporated in Denmark.

The financial statements were authorised for issue by the Board of Directors on 19 March 2013.

1. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Group and the Company's first financial statements prepared in accordance with MFRS and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). The financial impacts of transition to MFRS are disclosed in Note 26 to the financial statements.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and Company:

MFRSs, IC Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

MFRSs, IC Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*

1. Basis of Preparation (Continued)

(a) Statement of compliance (continued)

MFRSs, IC Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2013 (continued)

- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, IC Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

MFRSs, IC Interpretations and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for IC Interpretation 20 which is not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.

- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The Group and the Company is currently assessing the financial impact of adopting the abovementioned standards, amendments and interpretations.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 January 2011 (the transition date to MFRS framework).

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 8 September 2009

For acquisitions on or after 8 September 2009 (please refer to Note 26.4(c) for further explanation), the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether is measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 8 September 2009

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before 8 September 2009 (please refer to Note 26.4(c) for further explanation). Goodwill arising from acquisitions before 8 September 2009 has been carried forward from the previous FRS framework as at the date of transition.

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued)

(iii) Acquisitions from entities under common control

Business combination involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital and capital reserves of the "acquire" entity is reflected within equity. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

(iv) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investees or as an available-for-sale financial asset depending on the level of influence retained.

(vi) Associates

Associates are entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are measured in the Company's statement of financial position at cost less impairment losses. The cost of the investment includes transaction costs.

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued)

(vii) Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly-controlled entities are accounted for in the consolidated financial statements using the proportionate method unless it is included in a disposal group that is classified as held for sale. The consolidated financial statements include the Group's share of the revenue, expenses, assets and liabilities of the jointly-controlled entity, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Investments in jointly-controlled entities are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale.

(viii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Loss applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ix) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

2. Significant Accounting Policies (Continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations denominated in functional currencies other than RM, including fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in exchange reserve ("ER") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the ER related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the ER in equity.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant Accounting Policies (Continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Assets in-progress are not depreciated until the assets are ready for their intended use.

2. Significant Accounting Policies (Continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	90 – 999 years
• Buildings	15 – 50 years
• Renovation	15 years
• Plant and machinery	5 – 20 years
• Motor vehicles	5 years
• Furniture and office equipment	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

2. Significant Accounting Policies (Continued)

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investees.

(ii) Customised computer software

Customised computer software that is not integral to the functionality of the related equipment is recognised as an intangible asset. These intangible assets that are acquired by the Group or the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life of customised computer software is 3 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with Note 2(c)(ii).

2. Significant Accounting Policies (Continued)

(i) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries, associate and jointly-controlled entity) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the recoverable value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

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2. Significant Accounting Policies (Continued)

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented in the statement of changes in equity.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the statutory pension funds and Carlsberg Brewery Malaysia Retirement Plan, a defined contribution plan, are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Share-based payment transactions

Certain employees of the Group are entitled to a share option programme set up by Carlsberg A/S that gives the right to Carlsberg A/S shares. The grant date fair value of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period from the grant date until the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Any reimbursement to Carlsberg A/S in relation to the share option programme is treated as a capital distribution and would be recorded directly in equity.

2. Significant Accounting Policies (Continued)

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Income recognition

(i) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's and the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. Significant Accounting Policies (Continued)

(o) Income tax (continued)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(p) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. Property, Plant and Equipment

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
Cost										
At 1 January 2011		10,571	19,097	54,053	505	323,081	25,430	52,036	10,971	495,744
Additions		–	–	844	58	5,290	4,480	3,531	13,498	27,701
Disposals		–	–	–	–	(9,499)	(6,979)	(794)	–	(17,272)
Written off		–	–	–	(112)	(8,570)	–	(13,934)	–	(22,616)
Transfers		–	–	715	–	15,054	211	435	(20,337)	(3,922)
Effect of movements in exchange rates		–	–	–	(7)	13	(7)	(29)	–	(30)
At 31 December 2011/ 1 January 2012		**10,571**	**19,097**	**55,612**	**444**	**325,369**	**23,135**	**41,245**	**4,132**	**479,605**
Additions		**–**	**–**	**349**	**251**	**10,783**	**5,755**	**7,322**	**7,381**	**31,841**
Disposals		**–**	**–**	**–**	**–**	**(41)**	**(3,296)**	**(1,159)**	**–**	**(4,496)**
Written off		**–**	**–**	**–**	**–**	**(210)**	**–**	**(84)**	**–**	**(294)**
Transfers		**–**	**–**	**584**	**–**	**3,781**	**–**	**–**	**(4,365)**	**–**
Dilution of investment in a jointly-controlled entity		**–**	**–**	**–**	**(112)**	**(62)**	**(25)**	**(497)**	**–**	**(696)**
Effect of movements in exchange rates		**–**	**–**	**–**	**2**	**40**	**1**	**35**	**–**	**78**
At 31 December 2012		**10,571**	**19,097**	**56,545**	**585**	**339,660**	**25,570**	**46,862**	**7,148**	**506,038**

3. Property, Plant and Equipment (Continued)

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
Depreciation										
At 1 January 2011		2,772	–	21,575	43	266,546	16,404	44,514	–	351,854
Depreciation for the year	15	122	–	1,361	61	10,366	3,754	3,422	–	19,086
Disposals		–	–	–	–	(8,133)	(6,636)	(742)	–	(15,511)
Written off		–	–	–	(19)	(8,554)	–	(13,847)	–	(22,420)
Effect of movements in exchange rates		–	–	–	(2)	(5)	(5)	(23)	–	(35)
At 31 December 2011/ 1 January 2012		**2,894**	**–**	**22,936**	**83**	**260,220**	**13,517**	**33,324**	**–**	**332,974**
Depreciation for the year	15	**122**	**–**	**1,471**	**194**	**10,193**	**3,288**	**4,325**	**–**	**19,593**
Disposals		**–**	**–**	**–**	**–**	**(34)**	**(3,136)**	**(1,158)**	**–**	**(4,328)**
Written off		**–**	**–**	**–**	**–**	**(241)**	**-**	**(27)**	**–**	**(268)**
Dilution of investment in a jointly-controlled entity		**–**	**–**	**–**	**(44)**	**(85)**	**(15)**	**(230)**	**–**	**(374)**
Effect of movements in exchange rates		**–**	**–**	**–**	**–**	**(1)**	**–**	**–**	**–**	**(1)**
At 31 December 2012		**3,016**	**–**	**24,407**	**233**	**270,052**	**13,654**	**36,234**	**–**	**347,596**
Carrying amounts										
At 1 January 2011		7,799	19,097	32,478	462	56,535	9,026	7,522	10,971	143,890
At 31 December 2011/ 1 January 2012		**7,677**	**19,097**	**32,676**	**361**	**65,149**	**9,618**	**7,921**	**4,132**	**146,631**
At 31 December 2012		**7,555**	**19,097**	**32,138**	**352**	**69,608**	**11,916**	**10,628**	**7,148**	**158,442**

3. Property, Plant and Equipment (Continued)

Company	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
Cost									
At 1 January 2011		10,399	18,952	53,086	322,173	2,168	17,659	10,389	434,826
Additions		–	–	767	4,303	–	1,013	13,498	19,581
Disposals		–	–	–	(9,183)	(102)	(170)	–	(9,455)
Written off		–	–	–	(8,566)	–	(17)	–	(8,583)
Transfers		–	–	709	15,030	–	94	(19,755)	(3,922)
At 31 December 2011/ 1 January 2012		**10,399**	**18,952**	**54,562**	**323,757**	**2,066**	**18,579**	**4,132**	**432,447**
Additions		**–**	**–**	**307**	**10,782**	**359**	**782**	**7,381**	**19,611**
Disposals		**–**	**–**	**–**	**(41)**	**(292)**	**(440)**	**–**	**(773)**
Written off		**–**	**–**	**–**	**(210)**	**–**	**(56)**	**–**	**(266)**
Transfers		**–**	**–**	**584**	**3,781**	**–**	**–**	**(4,365)**	**–**
Transfer to a subsidiary		**–**	**–**	**–**	**–**	**–**	**(3)**	**–**	**(3)**
At 31 December 2012		**10,399**	**18,952**	**55,453**	**338,069**	**2,133**	**18,862**	**7,148**	**451,016**
Depreciation									
At 1 January 2011		2,707	–	21,302	266,657	1,184	16,322	–	308,172
Depreciation for the year	15	118	–	1,332	9,861	408	816	–	12,535
Disposals		–	–	–	(7,865)	(102)	(133)	–	(8,100)
Written off		–	–	–	(8,554)	–	(13)	–	(8,567)
At 31 December 2011/ 1 January 2012		**2,825**	**–**	**22,634**	**260,099**	**1,490**	**16,992**	**–**	**304,040**
Depreciation for the year	15	**118**	**–**	**1,434**	**10,193**	**304**	**891**	**–**	**12,940**
Disposals		**–**	**–**	**–**	**(34)**	**(272)**	**(440)**	**–**	**(746)**
Written off		**–**	**–**	**–**	**(241)**	**–**	**(5)**	**–**	**(246)**
At 31 December 2012		**2,943**	**–**	**24,068**	**270,017**	**1,522**	**17,438**	**–**	**315,988**
Carrying amounts									
At 1 January 2011		7,692	18,952	31,784	55,516	984	1,337	10,389	126,654
At 31 December 2011/ 1 January 2012		**7,574**	**18,952**	**31,928**	**63,658**	**576**	**1,587**	**4,132**	**128,407**
At 31 December 2012		**7,456**	**18,952**	**31,385**	**68,052**	**611**	**1,424**	**7,148**	**135,028**

3. Property, Plant and Equipment (Continued)

3.1 Leasehold land

Included in the carrying amount of leasehold land are lease of land with:

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Unexpired lease period less than 50 years	**99**	103	107	**–**	–	–
Unexpired lease period more than 50 years	**7,456**	7,574	7,692	**7,456**	7,574	7,692
	7,555	7,677	7,799	**7,456**	7,574	7,692

4. Intangible Assets

Group	Note	Goodwill RM'000	Computer software RM'000	Total RM'000
Cost				
At 1 January 2011		6,364	10,087	16,451
Additions		–	767	767
Written off		–	(363)	(363)
Transfer from property, plant and equipment	3	–	3,922	3,922
Effect of movements in exchange rates		(52)	12	(40)
At 31 December 2011/1 January 2012		**6,312**	**14,425**	**20,737**
Additions		**–**	**1,380**	**1,380**
Dilution of investment in a jointly-controlled entity		**(1,312)**	**(1)**	**(1,313)**
Effect of movements in exchange rates		**-**	**8**	**8**
At 31 December 2012		**5,000**	**15,812**	**20,812**
Amortisation				
At 1 January 2011		–	8,506	8,506
Amortisation for the year	15	–	1,004	1,004
Written off		–	(363)	(363)
Effect of movements in exchange rates		–	2	2
At 31 December 2011/1 January 2012		**–**	**9,149**	**9,149**
Amortisation for the year	15	**–**	**2,281**	**2,281**
Dilution of investment in a jointly-controlled entity		**–**	**(9)**	**(9)**
Effect of movements in exchange rates		**–**	**3**	**3**
At 31 December 2012		**–**	**11,424**	**11,424**
Carrying amounts				
At 1 January 2011		6,364	1,581	7,945
At 31 December 2011/1 January 2012		**6,312**	**5,276**	**11,588**
At 31 December 2012		**5,000**	**4,388**	**9,388**

Notes to the Financial Statements

4. Intangible Assets (Continued)

Company	Note	Computer software RM'000
Cost		
At 1 January 2011		7,424
Additions		474
Transfer from property, plant and equipment	3	3,922
At 31 December 2011/1 January 2012		**11,820**
Additions		**225**
Transfer to a subsidiary		**(3,485)**
At 31 December 2012		**8,560**
Amortisation		
At 1 January 2011		6,878
Amortisation for the year	15	507
At 31 December 2011/1 January 2012		**7,385**
Amortisation for the year	15	**650**
At 31 December 2012		**8,035**
Carrying amounts		
At 1 January 2011		546
At 31 December 2011/1 January 2012		**4,435**
At 31 December 2012		**525**

4.1 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amount of goodwill allocated to each unit is as follows:

		Group	
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Subsidiary			
Luen Heng F&B Sdn. Bhd.	**5,000**	5,000	5,000
Subsidiary of a jointly-controlled entity	–	1,312	1,364
	5,000	6,312	6,364

The recoverable amount of the cash-generating unit ("CGU") - Luen Heng F&B Sdn. Bhd. was based on its value-in-use calculations. The recoverable amount for the CGU was higher than the carrying amount of the identifiable net assets and goodwill allocated and hence, no impairment loss was recognised during the year.

Value-in-use of the CGU was determined by discounting the future cash flows forecasted to be generated from the continuing use of the CGU. The key assumptions used for the CGU are as follows:

- Projected EBITDA are expected to approximate net cash flow.
- EBITDA was projected for 7 years and discounted at 9%.

5. Investments in Subsidiaries

	Company 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unquoted shares - at cost	**393,672**	393,672	393,672

The following are the subsidiaries of the Group:

Name of company	Principal activities	Country of incorporation	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
Carlsberg Marketing Sdn. Bhd.	Marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Malaysia	**100**	100	100
Euro Distributors Sdn. Bhd.	Dormant	Malaysia	**100**	100	100
Luen Heng F&B Sdn. Bhd.	Importation, distribution and sale of alcoholic and non-alcoholic beverages	Malaysia	**70**	70	70
Carlsberg Singapore Pte. Ltd. #	Importation and marketing of beer and liquor products	Singapore	**100**	100	100

 # Audited by a member firm of KPMG International.

In conjunction with the investment undertaken in Luen Heng F&B Sdn. Bhd. ("LHFB") in 2009, the Company entered into a call and put option with LHFB's corporate shareholder, Luen Heng Agency Sdn. Bhd. ("LHA"), allowing the Company to acquire the remaining interest held by LHA or LHA to sell its interest in LHFB to the Company, at any time after three (3) years of the date of the acquisition. The consideration is to be based on LHFB's fair value which is to be determined by an international firm of accountants. Both parties have not exercised their rights during the year.

6. Investment in an Associate

	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	Company 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Quoted shares outside Malaysia	**19,936**	19,936	19,936	**19,936**	19,936	19,936
Share of post-acquisition reserves	**14,720**	13,471	6,401	**–**	–	–
	34,656	33,407	26,337	**19,936**	19,936	19,936
Market value						
Quoted shares outside Malaysia	**127,235**	104,463	97,626	**–**	–	–

6. Investment in an Associate (Continued)

Name of company	Principal activities	Country of incorporation	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
Lion Brewery (Ceylon) PLC	Manufacturing, marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Sri Lanka	**24.6**	24.6	24.6

Summary financial information on associate:

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Revenue (100%)	**302,759**	209,989	141,386
Profit (100%)	**30,915**	32,277	22,195
Total assets (100%)	**306,463**	260,778	177,479
Total liabilities (100%)	**175,345**	103,599	66,817

In conjunction with the investment undertaken in Lion Brewery (Ceylon) PLC, the Company had written a call option with the principal licensor, Carlsberg A/S, its immediate holding company incorporated in Denmark, allowing Carlsberg A/S to acquire the Company's interest in the associate, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event to be a minimum of the original purchase price paid by the Company. The Directors of the Company consider the likelihood of occurrence of such events as remote and hence, the option's fair value is insignificant.

7. Investment in a Jointly-Controlled Entity

	Company 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
At cost:			
Unquoted shares	**–**	5,366	5,366
Less: Impairment loss	**–**	(5,366)	(5,366)
	–	–	–

Name of company	Principal activities	Country of incorporation	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
Carlsberg Distributors Taiwan Limited ("CDTL")	Packaging, marketing, and distribution of beer, stout, shandy and non-alcoholic beverages	Taiwan	**0.36**	50	50

On 30 April 2012, CDTL, a jointly-controlled entity of the Company, had undertaken a capital restructuring exercise. Under the capital restructuring exercise, Company's shareholdings in CDTL was diluted from 50% to 0.36%. Consequently, the Company has lost joint-control over CDTL.

7. Investment in a Jointly-Controlled Entity (Continued)

The jointly-controlled entity has the following effect on the Group's operating results, assets and liabilities:

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Long-term assets, net	–	1,636	1,755
Current assets, net	–	9,983	6,662
Current liabilities, net	–	(21,306)	(14,045)
Group's share of net liabilities	–	(9,687)	(5,628)
Revenue, net	**4,792**	21,675	15,267
Expenses, net	**(6,226)**	(24,549)	(17,199)
Decrease in the Group's profit for the year	**(1,434)**	(2,874)	(1,932)

8. Receivables, Deposits and Prepayments

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Non-current							
Loan to a subsidiary	8.1	**–**	–	–	**4,848**	8,998	10,100
Current							
Trade							
Trade receivables	21.4	**215,469**	196,292	178,696	**–**	–	–
Allowance for impairment loss	21.4	**(4,850)**	(15,270)	(3,496)	**–**	–	–
		210,619	181,022	175,200	**–**	–	–
Amount due from subsidiaries	8.2	**–**	–	–	**–**	25,036	44,835
Amount due from related companies	8.2	**376**	47	2,952	**–**	47	115
		210,995	181,069	178,152	**–**	25,083	44,950
Non-trade							
Amount due from subsidiaries	8.2	**–**	–	–	**121**	–	–
Amount due from related companies	8.2	**363**	2	–	**363**	2	–
Other receivables		**4,132**	5,487	5,728	**1,993**	1,457	2,276
Deposits		**10,383**	16,190	7,142	**7,200**	12,070	6,384
Prepayments		**34,584**	28,360	16,201	**714**	26	17
		49,462	50,039	29,071	**10,391**	13,555	8,677
		260,457	231,108	207,223	**10,391**	38,638	53,627

8.1 Loan to a subsidiary

The loan to a subsidiary is unsecured, and carries interest at a rate calculated as the average of the base lending rate and fixed deposit rate of Malayan Banking Berhad on such outstanding amount from time to time. The loan is not expected to be repaid by the subsidiary within the next twelve months.

8.2 Amounts due from subsidiaries and related companies

Amounts due from subsidiaries and related companies are unsecured, interest free and repayable on demand.

Notes to the Financial Statements

9. Deferred Tax Assets/(Liabilities)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 31.12.2012 RM'000	Assets 31.12.2011 RM'000	Assets 1.1.2011 RM'000	Liabilities 31.12.2012 RM'000	Liabilities 31.12.2011 RM'000	Liabilities 1.1.2011 RM'000	Net 31.12.2012 RM'000	Net 31.12.2011 RM'000	Net 1.1.2011 RM'000
Property, plant and equipment	**–**	–	–	**(22,871)**	(20,021)	(17,956)	**(22,871)**	(20,021)	(17,956)
Others	**3,094**	1,675	1,505	**–**	–	–	**3,094**	1,675	1,505
Tax assets/ (liabilities)	**3,094**	1,675	1,505	**(22,871)**	(20,021)	(17,956)	**(19,777)**	(18,346)	(16,451)
Set off of tax	**(2,231)**	(1,639)	(1,505)	**2,231**	1,639	1,505	**–**	–	–
Net tax assets/ (liabilities)	**863**	36	–	**(20,640)**	(18,382)	(16,451)	**(19,777)**	(18,346)	(16,451)

Company	Assets 31.12.2012 RM'000	Assets 31.12.2011 RM'000	Assets 1.1.2011 RM'000	Liabilities 31.12.2012 RM'000	Liabilities 31.12.2011 RM'000	Liabilities 1.1.2011 RM'000	Net 31.12.2012 RM'000	Net 31.12.2011 RM'000	Net 1.1.2011 RM'000
Property, plant and equipment	**–**	–	–	**(21,040)**	(18,277)	(16,056)	**(21,040)**	(18,277)	(16,056)
Others	**546**	1,263	547	**–**	–	–	**546**	1,263	547
Tax assets/ (liabilities)	**546**	1,263	547	**(21,040)**	(18,277)	(16,056)	**(20,494)**	(17,014)	(15,509)
Set off of tax	**(546)**	(1,263)	(547)	**546**	1,263	547	**–**	–	–
Net tax liabilities	**–**	–	–	**(20,494)**	(17,014)	(15,509)	**(20,494)**	(17,014)	(15,509)

Movement in temporary differences during the year

	At 1.1.2011 RM'000	Recognised in profit or loss (Note 17) RM'000	At 31.12.2011 RM'000	Recognised in profit or loss (Note 17) RM'000	At 31.12.2012 RM'000
Group					
Property, plant and equipment	(17,956)	(2,065)	(20,021)	(2,850)	**(22,871)**
Others	1,505	170	1,675	1,419	**3,094**
	(16,451)	(1,895)	(18,346)	(1,431)	**(19,777)**
Company					
Property, plant and equipment	(16,056)	(2,221)	(18,277)	(2,763)	**(21,040)**
Others	547	716	1,263	(717)	**546**
	(15,509)	(1,505)	(17,014)	(3,480)	**(20,494)**

9. Deferred Tax Assets/(Liabilities) (Continued)

Unrecognised deferred tax assets

Deferred tax assets of a jointly-controlled entity have not been recognised in respect of the following items:

	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unutilised tax losses (100%)	–	6,252	5,439
Others (100%)	–	407	(14)
	–	6,659	5,425
Group's share of the unrecognised deferred tax asset	–	3,330	2,713

Tax losses carry-forward was in respect of a jointly-controlled entity incorporated in Taiwan. The deferred tax assets were not recognised in respect of the unutilised tax losses carry-forward because it was not probable that future taxable profit would be available against which the Group could utilise the benefits there from. Under Taiwan tax legislation, the unutilised tax losses, could be carried forward for a period of 10 years.

10. Inventories

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Finished goods	**36,029**	48,527	32,129	**6,846**	8,300	6,536
Work-in-progress	**2,382**	2,363	2,518	**2,382**	2,363	2,518
Raw, packaging and other materials	**5,204**	7,842	9,634	**5,005**	7,696	9,461
Spare parts for machinery	**3,225**	3,806	4,553	**3,017**	3,310	3,904
	46,840	62,538	48,834	**17,250**	21,669	22,419

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Recognised in profit or loss:				
Allowance for inventories written down/(back)	**733**	1,832	**(246)**	725
Raw, packaging and other materials written off	**–**	2,338	**–**	2,338
Finished goods written off	**3,323**	1,889	**98**	823
	3,323	4,227	**98**	3,161

11. Cash and Cash Equivalents

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Deposits with licensed banks	**2,030**	1,554	29,133	**1,430**	1,554	16,545
Cash and bank balances	**55,658**	70,642	72,237	**16,272**	7,492	18,125
	57,688	72,196	101,370	**17,702**	9,046	34,670

Notes to the Financial Statements

12. Share Capital and Reserves

Share capital

	Group and Company					
	31.12.2012		31.12.2011		1.1.2011	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Authorised:						
Ordinary shares of RM0.50 each	**300,000**	**600,000**	300,000	600,000	300,000	600,000
Issued and fully paid:						
Ordinary shares of RM0.50 each	**154,039**	**308,078**	154,039	308,078	154,039	308,078

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group and the Company (see Note 12.4), all rights are suspended until those shares are reissued.

Reserves

		Group			Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Non-distributable reserves:							
Share premium		**7,367**	7,367	7,367	**7,367**	7,367	7,367
Other reserves:							
Capital reserve	12.1	**3,931**	3,931	3,931	**–**	–	–
Exchange reserve	12.2	**(2,334)**	1,682	–	**–**	–	–
Share option reserve	12.3	**146**	54	476	**205**	219	773
Treasury shares	12.4	**(12,043)**	(12,043)	(12,043)	**(12,043)**	(12,043)	(12,043)
Others		**(780)**	–	–	**–**	–	–
		(3,713)	991	(269)	**(4,471)**	(4,457)	(3,903)
Distributable reserves:							
Retained earnings	12.5	**148,713**	130,418	91,526	**341,464**	383,773	385,815
		145,000	131,409	91,257	**336,993**	379,316	381,912

12.1 Capital reserve

The capital reserve comprises reserve capitalised by a subsidiary for bonus issue of shares in prior years.

12.2 Exchange reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

12.3 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options granted by the holding company. The grant date fair value of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. Any recharge by Carlsberg A/S in excess of the initial capital contribution initially recognised in the equity is treated as a capital distribution and would be recorded directly in equity.

12. Share Capital and Reserves (Continued)

Reserves (continued)

12.4 Treasury shares

In 1999 via a resolution passed in a general meeting, the Company repurchased 2,330,000* of its issued share capital from the open market. The aggregate consideration paid for the repurchased shares was RM12,043,000, representing an average price of RM5.17* per ordinary share. The shares repurchased are being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

No further shares were repurchased during the financial year ended 31 December 2012 and none of the previously repurchased shares were reissued, distributed as share dividends, resold or cancelled.

* After adjusting for the share split exercise in 2005.

12.5 Retained earnings

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. Under this system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. The Company has made an irrevocable election to pay dividends under the single tier tax system.

13. Payables and Accruals

		Group			Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Trade							
Trade payables		**152,456**	145,064	142,980	**50,410**	49,069	43,706
Amount due to immediate holding company	13.1	**12,232**	13,948	7,351	**4,852**	9,444	982
Amount due to related companies	13.1	**2,054**	5,332	5,903	**253**	3,213	3,112
		166,742	164,344	156,234	**55,515**	61,726	47,800
Non-trade							
Other payables	13.2	**29,637**	26,537	27,405	**9,364**	5,085	6,943
Accrued expenses		**20,853**	22,264	28,303	**6,644**	10,167	13,301
Amount due to ultimate holding company	13.3	**613**	368	470	**613**	368	222
Amount due to subsidiary	13.3	**–**	–	–	**16,069**	–	–
Amount due to related companies	13.3	**72**	672	496	**72**	671	457
		51,175	49,841	56,674	**32,762**	16,291	20,923
		217,917	214,185	212,908	**88,277**	78,017	68,723

13. Payables and Accruals (Continued)

13.1 Amounts due to immediate holding company and related companies

Amounts due to immediate holding company and related companies are unsecured, interest free and subjected to credit terms of 90 days.

13.2 Other payables

Included in other payables of the Group is a loan given to a subsidiary by its non-controlling shareholder amounting to RM2.08 million (31 December 2011: RM3.69 million; 1 January 2011: RM4.29 million). The loan is unsecured, carries interest at a rate calculated as the average of the base lending rate and fixed deposit rate of Malayan Banking Berhad of 4.83% (31 December 2011: 4.55% - 4.85%; 1 January 2011: 3.78% - 4.53%) on such outstanding amount from time to time and is repayable on demand.

13.3 Amount due to ultimate holding company, subsidiary and related companies

Amount due to ultimate holding company, subsidiary and related companies are unsecured, interest free and repayable on demand.

14. Loans and Borrowings

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Current - unsecured						
Short term bank loan	–	14,251	10,645	–	–	–
Revolving credits	**5,000**	8,000	42,306	–	–	40,306
	5,000	22,251	52,951	–	–	40,306

The short term bank loan and revolving credits of the Group are subjected to interests ranging from 4.66% - 4.68% (31 December 2011: 3.40% - 6.25%; 1 January 2011: 2.96% - 3.09%).

15. Operating Profit

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Operating profit arrived at after charging:				
Amortisation of intangible assets	**2,281**	1,004	**650**	507
Auditors' remuneration				
- Audit services	**174**	174	**91**	99
Depreciation of property, plant and equipment	**19,593**	19,086	**12,940**	12,535
Allowance for inventories written down	**733**	1,832	**–**	725
Inventories written off	**3,323**	4,227	**98**	3,161
Impairment loss on receivables	**850**	11,978	**–**	–
Loss on disposal of property, plant and equipment	**–**	–	**–**	559
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	**8,816**	7,421	**2,577**	2,464
- Contributions to other defined contribution plan	**589**	543	**264**	265
- Wages, salaries and others	**75,955**	70,398	**25,627**	26,661
Property, plant and equipment written off	**26**	196	**20**	16
Share of net liability of jointly-controlled entity arising from restructuring (Note 7)	**–**	–	**11,655**	–
Rental of land and buildings	**2,346**	2,438	**1,074**	1,091
Realised foreign exchange loss	**–**	–	**–**	241
Unrealised foreign exchange loss	**707**	–	**124**	151
and after crediting:				
Allowance for inventories written back	**–**	–	**246**	–
Bad debts recovered	**628**	689	**-**	–
Dividend income from unquoted subsidiaries	**–**	–	**126,457**	121,337
Dividend income from a foreign quoted associate	**–**	–	**1,667**	2,165
Gain on disposal of property, plant and equipment	**1,143**	2,182	**92**	-
Interest income	**654**	783	**598**	867
Realised foreign exchange gain	**1,592**	29	**1,131**	–
Rental income from subsidiary	**–**	–	**840**	840
Unrealised foreign exchange gain	**–**	475	**–**	–

Notes to the Financial Statements

16. Key Management Personnel Compensation

The key management personnel compensation are as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Directors:				
- Fees	**160**	160	**160**	160
- Remuneration	**1,205**	1,376	**1,205**	1,376
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	**913**	1,167	**913**	1,167
	2,278	2,703	**2,278**	2,703
- Post-employment benefits	**97**	121	**97**	121
- Share-based payments	**107**	–	**107**	–
	2,482	2,824	**2,482**	2,824
Other key management personnel:				
- Short term employee benefits	**5,051**	3,730	**2,519**	2,416
- Post-employment benefits	**95**	97	**85**	88
- Share-based payments	**194**	–	**120**	–
	5,340	3,827	**2,724**	2,504
	7,822	6,651	**5,206**	5,328

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

17. Tax Expense

Recognised in profit or loss

Major components of tax expense include:

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current tax expense					
Malaysian					
- current year		**38,970**	33,819	**6,849**	2,364
- (over)/under provision in prior years		**(987)**	3,266	**(215)**	456
Overseas					
- current		**12,469**	14,000	**–**	–
- under provision in prior year		**15**	14	**–**	–
Total current tax		**50,467**	51,099	**6,634**	2,820
Deferred tax expense					
Origination and reversal of temporary differences		**1,387**	860	**244**	584
Under provision in prior years		**44**	1,035	**3,236**	921
Total deferred tax	9	**1,431**	1,895	**3,480**	1,505
Total tax expense		**51,898**	52,994	**10,114**	4,325

17. Tax Expense (Continued)

Reconciliation of tax expense

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Profit before tax		**245,651**	220,374	**139,406**	129,551
Share of profit of equity accounted associate, net of tax		**(7,605)**	(7,940)	**–**	–
Profit before tax excluding share of profit after tax of equity accounted associate		**238,046**	212,434	**139,406**	129,551
Tax at Malaysian tax rate of 25% (2011: 25%)		**59,512**	53,109	**34,852**	32,388
Effect of tax in foreign jurisdiction		**(5,797)**	(5,681)	**–**	–
Non taxable income		**(474)**	-	**(32,168)**	(30,972)
Non-deductible expenses		**2,092**	4,143	**4,409**	1,532
Double deduction on permitted expenses		**(2,521)**	(2,818)	**–**	–
Other items		**(251)**	(228)	**–**	–
Current year losses for which no deferred tax asset was recognised		**265**	154	**–**	–
		52,826	48,679	**7,093**	2,948
(Over)/Under provision in prior years		**(928)**	4,315	**3,021**	1,377
Tax expense		**51,898**	52,994	**10,114**	4,325

18. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2012 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

Profit attributable to ordinary shareholders

	Group 2012 RM'000	Group 2011 RM'000
Profit for the year attributable to shareholders	**191,632**	166,160

Weighted average number of ordinary shares

	Group 2012 '000	Group 2011 '000
Issued ordinary shares as at 1 January/31 December	**308,078**	308,078
Effect of treasury shares held	**(2,330)**	(2,330)
	305,748	305,748
Basic earnings per ordinary share (sen)	**62.68**	54.35

Notes to the Financial Statements

19. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2012			
First interim 2012 ordinary – single tier	**5.0**	**15,287**	**11 October 2012**
Final 2011 ordinary – tax exempt	**2.0**	**6,115**	**18 May 2012**
Special Final 2011 ordinary	**49.1**	**150,199**	**18 May 2012**
Total amount		**171,601**	
2011			
First interim 2011 ordinary	3.8	11,466	7 October 2011
Final 2010 ordinary	5.6	17,198	20 May 2011
Special Final 2010 ordinary	32.3	98,604	20 May 2011
Total amount		127,268	

After the reporting period, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial report upon approval by the shareholders.

	Sen per RM0.50 share	Total amount RM'000
2012		
Final and special ordinary – single tier	**58.0**	**177,334**

20. Operating Segments

The Group has three reportable segments, which are the Group's geographical segments. The strategic business units offer similar products but are managed separately because they require different marketing strategies due to the geographical locations. For each of the strategic business unit, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Malaysia – Includes manufacturing, marketing and distribution of both alcoholic and non-alcoholic beverages by entities in Malaysia.
- Singapore – Includes marketing and distribution of both alcoholic and non-alcoholic beverages by an entity in Singapore.
- Others – Includes marketing and distribution of both alcoholic and non-alcoholic beverages in geographical locations other than Malaysia and Singapore.

Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

20. Operating Segments (Continued)

Segment assets, liabilities and capital expenditures

Segment assets, liabilities and capital expenditures information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
2012				
Segment profit/(loss)	**167,809**	**74,708**	**(1,336)**	**241,181**
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	**1,208,928**	**371,061**	**4,791**	**1,584,780**
Inter-segment revenue	**57,440**	**–**	**–**	**57,440**
Depreciation and amortisation	**20,598**	**1,229**	**47**	**21,874**
Not included in the measure of segment profit but provided to Managing Director:				
Finance costs	**(4,058)**	**(692)**	**(221)**	**(4,971)**
Interest income	**653**	**1**	**–**	**654**
Income tax expense	**(39,408)**	**(12,490)**	**–**	**(51,898)**
Share of profit of equity accounted associate, net of tax	**–**	**–**	**7,605**	**7,605**
2011				
Segment profit/(loss)	142,437	77,019	(3,117)	216,339
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	1,117,964	349,717	21,675	1,489,356
Inter-segment revenue	62,000	–	–	62,000
Depreciation and amortisation	(18,983)	(957)	(150)	(20,090)
Not included in the measure of segment profit but provided to Managing Director:				
Finance costs	(3,457)	(277)	(651)	(4,385)
Interest income	781	–	2	783
Income tax expense	(38,977)	(14,017)	–	(52,994)
Share of profit of equity accounted associate, net of tax	–	–	7,940	7,940

20. Operating Segments (Continued)

Reconciliations of segment profit or loss

	2012 RM'000	2011 RM'000
Profit		
Total segment profit	241,181	216,339
Inter-segment elimination	1,182	(303)
Finance costs	(4,971)	(4,385)
Interest income	654	783
Share of profit of equity accounted associate, net of tax	7,605	7,940
Consolidated profit before tax	245,651	220,374

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates) and deferred tax assets.

	Revenue		Non-current assets	
Geographical location	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	**1,203,827**	1,111,678	**165,524**	154,166
Singapore	**371,061**	349,717	**2,671**	2,773
Hong Kong	**–**	1,173	**–**	–
Taiwan	**4,791**	21,675	**–**	1,636
Other countries	**5,101**	5,113	**–**	–
	1,584,780	1,489,356	**168,195**	158,575

Major customers

The Group does not transact with a single external customer amounting to 10% or more than the Group's total revenue.

21. Financial Instruments

21.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");

(b) Other financial liabilities measured at amortised cost ("OL").

	Carrying amount RM'000	L&R/ (OL) RM'000	Others RM'000
31 December 2012			
Financial assets			
Group			
Trade and other receivables	**260,457**	**225,873**	**34,584**
Cash and cash equivalents	**57,688**	**57,688**	**–**
	318,145	**283,561**	**34,584**
Company			
Trade and other receivables	**10,391**	**9,677**	**714**
Cash and cash equivalents	**17,702**	**17,702**	**–**
Loan to a subsidiary	**4,848**	**4,848**	**–**
	32,941	**32,227**	**714**
Financial liabilities			
Group			
Loans and borrowings	**(5,000)**	**(5,000)**	**–**
Payables and accruals	**(217,917)**	**(217,917)**	**–**
	(222,917)	**(222,917)**	**–**
Company			
Payables and accruals	**(88,277)**	**(88,277)**	**–**
31 December 2011			
Financial assets			
Group			
Trade and other receivables	231,108	202,748	28,360
Cash and cash equivalents	72,196	72,196	–
	303,304	274,944	28,360
Company			
Trade and other receivables	38,638	38,612	26
Cash and cash equivalents	9,046	9,046	–
Loan to a subsidiary	8,998	8,998	–
	56,682	56,656	26
Financial liabilities			
Group			
Loans and borrowings	(22,251)	(22,251)	–
Payables and accruals	(214,185)	(214,185)	–
	(236,436)	(236,436)	–
Company			
Payables and accruals	(78,017)	(78,017)	–

21. Financial Instruments (Continued)

21.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (OL) RM'000	Others RM'000
1 January 2011			
Financial assets			
Group			
Trade and other receivables	207,223	191,022	16,201
Cash and cash equivalents	101,370	101,370	–
	308,593	292,392	16,201
Company			
Trade and other receivables	53,627	53,610	17
Cash and cash equivalents	34,670	34,670	–
Loan to a subsidiary	10,100	10,100	–
	98,397	98,380	17
Financial liabilities			
Group			
Loans and borrowings	(52,951)	(52,951)	–
Payables and accruals	(212,908)	(212,908)	–
	(265,859)	(265,859)	–
Company			
Loans and borrowings	(40,306)	(40,306)	–
Payables and accruals	(68,723)	(68,723)	–
	(109,029)	(109,029)	–

21.2 Net gains and losses arising from financial instruments

Net gains/(losses) arising from financial instruments comprises interest income/(expenses), unrealised foreign exchange gains/(losses) and impairment losses.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loans and receivables	**(4,580)**	(14,490)	**(222)**	(1,069)
Financial liabilities measured at amortised cost	**44**	77	**(210)**	(40)

21.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

21. Financial Instruments (Continued)

21.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, placements and cash maintained with financial institutions. The Company's exposure to credit risk arises principally from loans, trade advances to subsidiaries, placements and cash maintained with financial institutions.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on new customers requiring credit. The Group normally requires collateral from its customers.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables, net of impairment loss, as at the end of the reporting period by geographic region was:

		Group	
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Malaysia	**154,891**	143,607	123,202
Singapore	**55,728**	36,406	51,036
Others	**–**	1,009	962
	210,619	181,022	175,200

Impairment losses

The ageing of receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
31 December 2012			
Not past due	**182,415**	**–**	**182,415**
Past due 1 - 30 days	**14,144**	**–**	**14,144**
Past due 31 - 60 days	**5,247**	**–**	**5,247**
Past due 61 - 90 days	**6,271**	**–**	**6,271**
Past due more than 90 days	**7,392**	**(4,850)**	**2,542**
	215,469	**(4,850)**	**210,619**
31 December 2011			
Not past due	115,429	–	115,429
Past due 1 - 30 days	32,961	–	32,961
Past due 31 - 60 days	10,767	–	10,767
Past due 61 - 90 days	12,046	–	12,046
Past due more than 90 days	25,089	(15,270)	9,819
	196,292	(15,270)	181,022

21. Financial Instruments (Continued)

21.4 Credit risk (continued)

Receivables (continued)

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
1 January 2011			
Not past due	139,982	–	139,982
Past due 1 - 30 days	11,925	–	11,925
Past due 31 - 60 days	18,544	–	18,544
Past due 61 - 90 days	2,850	–	2,850
Past due more than 90 days	5,395	(3,496)	1,899
	178,696	(3,496)	175,200

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group 2012 RM'000	2011 RM'000
At 1 January	**(15,270)**	(3,496)
Impairment loss recognised	**(2,751)**	(12,722)
Impairment loss reversed	**1,901**	744
Impairment loss written off	**11,270**	204
At 31 December	**(4,850)**	(15,270)

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Intercompany balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries and related companies. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries were not recoverable. Non-current loans to subsidiaries are not overdue whilst advances to subsidiaries have been overdue for less than a year.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The Group's and Company's short term deposits are placed as fixed rate investments and daily short term deposits and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed only with licensed financial institutions.

21. Financial Instruments (Continued)

21.4 Credit risk (continued)

Cash and cash equivalents (continued)

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that cash and cash equivalents were not recoverable.

21.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

Group	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
31 December 2012				
Payables and accruals	**215,840**	**–**	**215,840**	**215,840**
Loan from a subsidiary's non-controlling shareholder	**2,077**	**4.83%**	**2,177**	**2,177**
Bank borrowings	**5,000**	**4.66% - 4.68%**	**5,058**	**5,058**
	222,917	**–**	**223,075**	**223,075**
31 December 2011				
Payables and accruals	210,499	–	210,499	210,499
Loan from a subsidiary's non-controlling shareholder	3,686	4.55% - 4.85%	3,859	3,859
Bank borrowings	22,251	3.40% - 6.25%	22,519	22,519
	236,436	–	236,877	236,877
1 January 2011				
Payables and accruals	208,622	–	208,622	208,622
Loan from a subsidiary's non-controlling shareholder	4,286	3.78% - 4.53%	4,464	4,464
Bank borrowings	52,951	2.96% - 3.09%	54,553	54,553
	265,859	–	267,639	267,639

21. Financial Instruments (Continued)

21.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
31 December 2012				
Payables and accruals	**88,277**	**–**	**88,277**	**88,277**
31 December 2011				
Payables and accruals	78,017	–	78,017	78,017
1 January 2011				
Payables and accruals	68,723	–	68,723	68,723
Bank borrowings	40,306	2.96% - 3.09%	40,618	40,618
	109,029	–	109,341	109,341

21.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

21.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group and the Company did not hedge any foreign trade receivables and trade payables denominated in foreign currency during the year. In respect of other monetary assets and liabilities held in currencies other than RM and Singapore Dollar, the Group ensures that the net exposure is kept to an acceptable level.

Currency risk sensitivity analysis

The exposure to currency risk of Group entities other than USD is not material and hence, sensitivity analysis is not presented.

21.6.2 Interest rate risk

The Group's and the Company's borrowings are not exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's borrowings are exposed to a risk of change in cash flows due to changes in interest rate. Receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's borrowings are short-term in nature. As such, the Group and the Company do not engage in any hedging activities to manage interest risk fluctuations.

21. Financial Instruments (Continued)

21.6 Market risk (continued)

21.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Fixed rate instruments						
Deposits with licensed banks	**2,030**	1,554	29,133	**1,430**	1,554	16,545
Short term bank loan	**–**	(14,251)	(10,645)	**–**	–	–
Floating rate instruments						
Loan to a subsidiary	**–**	–	–	**4,848**	8,998	10,100
Loan from a subsidiary's non-controlling shareholder	**(2,077)**	(3,686)	(4,286)	**–**	–	–
Revolving credits	**(5,000)**	(8,000)	(42,306)	**–**	–	(40,306)

Interest rate risk sensitivity analysis

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

The exposure to interest rate risk arising from floating rate instruments is not material, and hence, sensitivity analysis is not presented.

21.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of the loan to subsidiary of the Company approximates its carrying value.

22. Capital Management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

Notes to the Financial Statements

23. Operating Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Less than one year	**3,960**	3,078	1,567	**250**	389	343
Between one and five years	**2,737**	3,622	387	**60**	78	65
	6,697	6,700	1,954	**310**	467	408

The Group and the Company lease a number of sales offices under operating leases. The leases typically run for a period of two (2) years, with an option to renew the lease after the date of expiration. None of the leases includes contingent rentals.

24. Capital Commitments

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Capital expenditure commitments						
Plant and equipment						
Authorised and contracted for	**3,759**	570	–	**2,628**	–	–
Authorised but not contracted for	**1,109**	–	330	**1,109**	–	119
	4,868	570	330	**3,737**	–	119

25. Related Parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a related party relationship with the holding company and its related corporations, its subsidiaries (see Note 5), an associate (see Note 6), a jointly-controlled entity (see Note 7), Directors and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

25. Related Parties (Continued)

Identity of related parties (continued)

Details of the related party transactions (other than key management personnel remuneration disclosed in Note 16 to the financial statements) with the Group are as follows:

	Transaction value year ended 31 December 2012 RM'000	2011 RM'000
Group		
Immediate holding company		
Management fees payable	**4,144**	3,824
Purchases of materials and products	**919**	911
Reimbursement of expenses	**11,559**	9,393
Royalties payable	**31,624**	22,062
Related companies		
Purchases of materials and products	**23,835**	31,237
Purchases of services	**452**	446
Sale of goods and services	**3,602**	1,235
Rental of premises	**817**	754
Others	**196**	684
Company		
Immediate holding company		
Management fees payable	**3,036**	2,810
Purchases of materials and products	**759**	623
Reimbursement of expenses	**7,989**	7,401
Royalties payable	**5,861**	5,483
Subsidiaries		
Sale of goods and services	**757,911**	745,544
Transfer of property, plant and equipment at net book value	**3**	–
Transfer of intangible assets at net book value	**3,485**	–
Management fee received	**11,500**	11,500
Rental income	**840**	840
Dividend income	**126,459**	121,337
Interest received	**319**	427
Related companies		
Purchases of services	**452**	446
Purchases of materials and products	**1,724**	19,923

The terms and conditions for the above transactions are based on negotiated terms. All the amounts outstanding are unsecured and expected to be settled with cash.

Outstanding balances are disclosed accordingly in Notes 8 and 13.

26. Explanation of Transition to MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the year ended 31 December 2012, the comparative information presented in these financial statements for the year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Group's date of transition to MFRSs).

In preparing the opening consolidated statement of financial position at 1 January 2011, the Group has adjusted amounts reported previously in financial statements prepared in accordance with FRSs. An explanation of how the transition from FRSs to MFRSs has affected the Group's financial position and financial performance is set out as follows:

26.1 Reconciliation of financial position

		1.1.2011			31.12.2011		
Group	**Note**	**FRSs RM'000**	**Effect of transition to MFRSs RM'000**	**MFRSs RM'000**	**FRSs RM'000**	**Effect of transition to MFRSs RM'000**	**MFRSs RM'000**
Assets							
Property, plant and equipment	26.4 a	143,890	–	143,890	146,631	–	146,631
Intangible assets	26.4 c(ii)	398,452	(390,507)	7,945	410,924	(399,336)	11,588
Investment in an associate		26,337	–	26,337	33,407	–	33,407
Other assets		349	–	349	356	–	356
Deferred tax assets		–	–	–	36	–	36
Total non-current assets		569,028	(390,507)	178,521	591,354	(399,336)	192,018
Inventories		48,834	–	48,834	62,538	–	62,538
Receivables, deposits and prepayments		207,223	–	207,223	231,108	–	231,108
Current tax assets		4,566	–	4,566	3,662	–	3,662
Cash and cash equivalents		101,370	–	101,370	72,196	–	72,196
Total current assets		361,993	–	361,993	369,504	–	369,504
Total assets		931,021	(390,507)	540,514	960,858	(399,336)	561,522
Equity							
Share capital		154,039	–	154,039	154,039	–	154,039
Share premium		7,367	–	7,367	7,367	–	7,367
Other reserves	26.4 e	(20,211)	12,575	(7,636)	(11,397)	5,021	(6,376)
Retained earnings	26.4 d	438,232	(346,706)	91,526	477,124	(346,706)	130,418
Equity attributable to owners of the Company		579,427	(334,131)	245,296	627,133	(341,685)	285,448
Non-controlling interests		2,696	–	2,696	3,916	–	3,916
Total equity		582,123	(334,131)	247,992	631,049	(341,685)	289,364
Liabilities							
Deferred tax liabilities	26.4 c(ii)	72,827	(56,376)	16,451	76,033	(57,651)	18,382
Total non-current liabilities		72,827	(56,376)	16,451	76,033	(57,651)	18,382

26. Explanation of Transition to MFRSs (Continued)

26.1 Reconciliation of financial position (continued)

Group	Note	1.1.2011 FRSs RM'000	1.1.2011 Effect of transition to MFRSs RM'000	1.1.2011 MFRSs RM'000	31.12.2011 FRSs RM'000	31.12.2011 Effect of transition to MFRSs RM'000	31.12.2011 MFRSs RM'000
Payables and accruals		212,908	–	212,908	214,185	–	214,185
Current tax liabilities		10,212	–	10,212	17,340	–	17,340
Loans and borrowings		52,951	–	52,951	22,251	–	22,251
Total current liabilities		276,071	–	276,071	253,776	–	253,776
Total liabilities		348,898	(56,376)	292,522	329,809	(57,651)	272,158
Total equity and liabilities		931,021	(390,507)	540,514	960,858	(399,336)	561,522

Company

A reconciliation of financial position has not been presented for the Company level because there is no material financial impact other than the reclassification of revaluation reserve to retained earnings as discussed in Notes 26.4 (a), (b), (d) and (e).

26.2 Reconciliation of comprehensive income for the year ended 31 December 2011

Group	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Revenue	1,489,356	–	1,489,356
Cost of sales	(949,302)	–	(949,302)
Gross profit	540,054	–	540,054
Other income	3,128	–	3,128
Sales and distribution expenses	(275,942)	–	(275,942)
Administrative expenses	(44,166)	–	(44,166)
Other expenses	(7,038)	–	(7,038)
Results from operating activities	216,036	–	216,036
Finance income	783	–	783
Finance costs	(4,385)	–	(4,385)
Operating profit	212,434	–	212,434
Share of profit of equity accounted associate, net of tax	7,940	–	7,940
Profit before tax	220,374	–	220,374
Tax expense	(52,994)	–	(52,994)
Profit for the year	167,380	–	167,380

26. Explanation of Transition to MFRSs (Continued)

26.2 Reconciliation of comprehensive income for the year ended 31 December 2011 (continued)

Group	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Other comprehensive income			
Foreign currency translation			
differences for foreign operations	9,236	(7,554)	1,682
Total comprehensive income for the year	176,616	(7,554)	169,062

Company

A reconciliation of comprehensive income has not been presented for the Company level because there is no financial impact.

26.3 Material adjustments to the statements of cash flows for 2011

There are no material differences between the statement of cash flows presented under MFRSs and the statement of cash flows presented under FRSs.

26.4 Notes to reconciliations

(a) Property, plant and equipment – deemed cost exemption – previous revaluation

When preparing the financial statements using FRSs, the Group and the Company had availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 2000. Certain freehold land and buildings were revalued in 1981 and no later valuation was recorded for these property, plant and equipment (except in the case of impairment adjustments based on valuation).

Upon transition to MFRSs, the Group and the Company elected to apply the optional exemption to use that previous revaluation as deemed cost. The revaluation reserve of RM4.7 million at 1 January 2011 and 31 December 2011 was reclassified to retained earnings.

The impact arising from the change is summarised as follows:

	Group		Company	
	1.1.2011 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2011 RM'000
Consolidated statement of financial position				
Decrease in revaluation reserve	(4,747)	(4,747)	(4,747)	(4,747)
Increase in retained earnings	4,747	4,747	4,747	4,747

(b) Foreign currency translation differences

In previous years financial statements, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

26. Explanation of Transition to MFRSs (Continued)

26.4 Notes to reconciliations (continued)

(b) Foreign currency translation differences (continued)

	Group		Company	
	1.1.2011 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2011 RM'000
Consolidated statement of financial position				
Increase in exchange reserve	17,322	9,768	–	–
Decrease in retained earnings	(17,322)	(9,768)	–	–

(c) Business combinations

(i) Common control transaction

Under FRS 3, Business Combinations, the Group had accounted for its acquisition of Carlsberg Singapore Pte. Ltd. ("CSPL") from Carlsberg Asia Pte. Ltd. via the acquisition accounting method. Upon transition to MFRSs, the Group has elected to restate all business combinations using the accounting policy as set out in Note 2(a) from the date of business combination of CSPL. Consequently, the acquisition of CSPL has been reevaluated using the accounting policy applicable to common control business combination. All prior recognition of goodwill, distribution rights and deferred tax liabilities arising from the acquisition were reversed into retained earnings.

(ii) Foreign exchange on fair value adjustments and goodwill

	Group	
	1.1.2011 RM'000	31.12.2011 RM'000
Consolidated statement of financial position		
Decrease in goodwill	(59,026)	(60,360)
Decrease in distribution rights	(331,481)	(338,976)
Total decrease in intangible assets	(390,507)	(399,336)
Consolidated statement of financial position		
Decrease in deferred tax liabilities	(56,376)	(57,651)
Decrease in retained earnings	(334,131)	(341,685)

26. Explanation of Transition to MFRSs (Continued)

26.4 Notes to reconciliations (continued)

(d) Retained earnings

The changes that affected the retained earnings are as follows:

	Note	Group 1.1.2011 RM'000	Group 31.12.2011 RM'000	Company 1.1.2011 RM'000	Company 31.12.2011 RM'000
Adjustment of:					
Revaluation reserve	a	4,747	4,747	4,747	4,747
Foreign currency translation reserve	b	(17,322)	(9,768)	–	–
Business combinations	c(ii)	(334,131)	(341,685)	–	–
(Decrease)/Increase in retained earnings		(346,706)	(346,706)	4,747	4,747

(e) Other reserves

	Note	Group 1.1.2011 RM'000	Group 31.12.2011 RM'000	Company 1.1.2011 RM'000	Company 31.12.2011 RM'000
Adjustment of:					
Revaluation reserve	a	(4,747)	(4,747)	(4,747)	(4,747)
Foreign currency translation reserve	b	17,322	9,768	–	–
Increase/(Decrease) in other reserves		12,575	5,021	(4,747)	(4,747)

27. Supplementary Financial Information on the Breakdown of Realised and Unrealised Profits or Losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2012, into realised and unrealised profits pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained earnings of the Company and its subsidiaries:				
– realised	**527,575**	525,600	**359,108**	400,938
– unrealised	**(17,509)**	(17,867)	**(17,644)**	(17,165)
	510,066	507,733	**341,464**	383,773
Total share of retained earnings of associate:				
– realised	**16,837**	18,369	**–**	–
– unrealised	**(3,782)**	(3,106)	**–**	–
Total share of retained earnings of jointly-controlled entity:				
– realised	**–**	(13,219)	**–**	–
– unrealised	**–**	(7)	**–**	–
	523,121	509,770	**341,464**	383,773
Less: Consolidation adjustments	**(374,408)**	(379,352)	**–**	–
Total retained earnings	**148,713**	130,418	**341,464**	383,773

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by Malaysian Institute of Accountants on 20 December 2010.

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Statement by Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 58 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 27 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits* or *Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk M.R. Gopala Krishnan C.R.K. Pillai
Director

Soren Ravn
Managing Director

Shah Alam
19 March 2013

Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Lew Yoong Fah**, the officer primarily responsible for the financial management of Carlsberg Brewery Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 58 to 111 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 19 March 2013.

Lew Yoong Fah

Before me:
Teoh Kheng Siang
(No. W534)
Commissioner of Oaths

Kuala Lumpur
19 March 2013

Independent Auditors' Report

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

Report on the Financial Statements

We have audited the financial statements of Carlsberg Brewery Malaysia Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 110.

Directors' Responsibility for the Financial Statements
The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 27 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

KPMG
Firm Number: AF 0758
Chartered Accountants

Thong Foo Vung
Approval Number: 2867/08/14(J)
Chartered Accountant

Petaling Jaya, Selangor
19 March 2013

Carlsberg Malaysia's Sales Offices

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Mile 4 1/2, Jalan Penampang,
P.O.Box 13435,
88838 Kota Kinabalu, Sabah.
Tel : 088-715 091 / 715 019
Fax : 088-717 480

Kuching
No. 287, Section 9, KTLD,
Ground & 1st Floor,
Lorong Rubber 9 Off Rubber Road,
93400, Kuching, Sarawak.
Tel : 082-425 319 / 425 320
Fax : 082-421 660

Tawau
Lot No. 2, Da Hua Garden, Phase 3,
TB No. 7542, Jalan Bunga Raya,
91000 Tawau, Sabah.
Tel : 089-714 986
Fax : 089-714 686

Sandakan
Ground Floor, Lot 2, Block 2,
Bangunan Yuan Li, Mile 1.5,
Jalan Utara,
90000 Sandakan, Sabah.
Tel : 089- 201 011
Fax : 089- 201 013

Miri
Lot 1415, Ground Floor & 1st Floor,
Lorong 5, Jalan Krokop, P.O. Box 1301,
98009 Miri, Sarawak.
Tel : 085-417 821 / 427 821
Fax : 085-437 821

Sibu
c/o Ee Chung Han Co. Sdn Bhd
Lot 1248-1249 Lorong Sukun 18,
Off Jalan Teng Kung Suk,
Upper Lanang,
96700 Sibu, Sarawak.
Tel/Fax : 084-213 892

Particulars of Group Properties

The Properties included in land and buildings as at 31 December 2012 (Note 3 to the Financial Statements) and their net book values are indicated below :-

Address	Description	Area (Acres)	Existing Use	Land Tenure	Approx. Age of Building (Years)	Net Book Value RM'000	Date of Acquisition or Revaluation
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	20.00	Brewery and Offices	Leasehold expiring 23.2.2070	42	30,621	31/3/81 (revaluation)
Lot 6, No. 34 Towering Industrial Estate, Mile 4 1/2, Jalan Penampang, 88838 Kota Kinabalu, Sabah.	Land and Building	0.06	Office and Warehouse	Leasehold expiring 31.12.2037	33	303	28/3/95 (acquisition)
394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus.	Land and Building	0.04	Office and Warehouse	Freehold	18	328	23/12/96 (acquisition)
Lot 22, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	1.81	Factory and Office	Leasehold expiring 23.2.2082	22	8,387	12/03/96 (acquisition)
25, Jalan IM 14/3, Kawasan Perindustrian Ringan, Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	Land and Building	0.05	Office and Warehouse	Leasehold expiring 29.3.2097	15	199	17/12/97 (acquisition)
No. EMR 3099, Lot No. 9 & No. EMR 3100, Lot No. 10, No. GM 76, Lot No. 35 & No. GM 77, Lot No. 36, In the Village of Batu Tiga / Mukim of Damansara, District of Petaling, Selangor Darul Ehsan.	Land	6.41	Factory	Freehold	–	15,953	24/7/98 (acquisition)
Lot 1071, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Land	1.30	Factory	Freehold	–	2,999	18/9/03 (acquisition)
						58,790	

Analysis of Shareholdings

AS AT 28 FEBRUARY 2013

Authorised Share Capital	:	RM300,000,000
Issued and Paid Up Share Capital	:	RM154,039,000 comprising 308,078,000 Ordinary Shares of RM0.50 each
No. of Treasury Shares held by the Company	:	2,330,000
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One Vote Per Ordinary Share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	686	5.95	6,629	0.00
100 – 1,000	4,228	36.65	3,224,493	1.05
1,001 – 10,000	4,994	43.29	19,669,028	6.43
10,001 – 100,000	1,421	12.32	43,964,492	14.38
100,001 – 15,287,399*	206	1.78	82,950,858	27.13
15,287,400 and above**	1	0.01	155,932,500	51.00
TOTAL	**11,536**	**100.00**	**305,748,000**	**100.00**

* Less than 5% of issued holdings

** 5% and above of issued holdings

Thirty Largest Shareholders

Name	No. of Shares	% of Shares
1. UOBM Nominees (Asing) Sdn Bhd Carlsberg Breweries A/S	155,932,500	51.000
2. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,085,320	2.971
3. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	4,382,000	1.433
4. HSBC Nominees (Asing) Sdn Bhd Exempt An For J.P. Morgan Bank Luxembourg S.A.	3,953,100	1.292
5. Cartaban Nominees (Tempatan) Sdn Bhd Exempt An For Eastspring Investments Berhad	3,405,464	1.113
6. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For American International Assurance Berhad	1,978,600	0.647
7. HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Wisdomtree Emerging Markets Equity Income Fund	1,524,750	0.498
8. Tai Tak Estates Sdn Bhd	1,500,000	0.490
9. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Fing (6110553745-T232)	1,400,000	0.457
10. Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	1,376,700	0.450
11. Yeoh Saik Khoo Sendirian Berhad	1,218,000	0.398

Analysis of Shareholdings

AS AT 28 FEBRUARY 2013

Name		No. of Shares	% of Shares
12.	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Wisdomtree Emerging Markets Smallcap Dividend Fund	1,048,068	0.342
13.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mak Tian Meng (JRC)	1,000,000	0.327
14.	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd For Kwong Soon Engineering Co Pte Ltd	967,500	0.316
15.	Ho Sim Guan	960,000	0.313
16.	UOBM Nominees (Asing) Sdn Bhd Chung Khiaw Bank Nominees (Pte) Ltd For Ko Choon Huat	910,000	0.297
17.	HSBC Nominees (Asing) Sdn Bhd Exempt An For J.P. Morgan Chase Bank, National Association (U.S.A)	903,900	0.295
18.	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	903,700	0.295
19.	Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) Sca For The Master Trust Bank Of Japan, Ltd As Trustee Of Muam Asean Stock Open	873,900	0.285
20.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Kidsave Trust (3621)	808,300	0.264
21.	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank Of New York Mellon (Mellon Acct)	797,600	0.260
22.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Hwang Select Income Fund (4850)	779,200	0.254
23.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	759,200	0.248
24.	AMSEC Nominees (Asing) Sdn Bhd Amfraser Securities Pte. Ltd For Chong Chew Lim @ Chong Ah Kau (214028)	755,100	0.246
25.	CIMB Commerce Trustee Berhad Public Focus Select Fund	729,700	0.238
26.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund J728 For SPDR S&P Emerging Asia Pacific ETF	687,103	0.224
27.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Smart Treasure Fund (4694-002)	660,000	0.215
28.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund W4B9 For Frontier Emerging Small Countriesfund	586,673	0.191
29.	Amanahraya Trustees Berhad Public Dividend Select Fund	585,300	0.191
30.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Equity Trust (3175)	570,000	0.186
TOTAL		**201,041,678**	**65.754**

Analysis of Shareholdings

AS AT 28 FEBRUARY 2013

Substantial Shareholder

Name	Direct Interest No. of Shares	% of Shares
1. Carlsberg Breweries A/S	155,932,500	51.00

Directors' Interests

Name	Direct		Indirect	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Dato' Lim Say Chong	–	–	52,000 #	0.02

Deemed interested by virtue of shares held by his daughter.

None of the other Directors holding office as at 28 February 2013 had any interest in shares whether direct or indirect in the Company.

Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group and/or its subsidiaries involving directors' and major shareholders' interests either subsisting as at 31 December 2012 or entered into since the end of the previous financial year ending 31 December 2011. The following are the existing material contracts :-

1. A call option agreement between Carlsberg Brewery Malaysia Berhad ("CBMB") and Carlsberg A/S ("CAS") dated 18 November 1996, allowing CAS to acquire CBMB's interest in Lion Brewery Ceylon Limited, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event, to be a minimum of the original purchase price paid by CBMB.

   CAS is the holding company of Carlsberg Breweries A/S ("CBAS"), which in turn is the holding company and major shareholder of CBMB.

2. A shareholders agreement between CBMB, Luen Heng Agency Sdn Bhd ("**LHA**") and Luen Heng F & B Sdn Bhd ("**LHFB**") dated 26 November 2008 for CBMB and LHA to participate in the equity of LHFB whereupon CBMB holds 70% equity shareholding consisting of 2,100,000 ordinary shares of RM1.00 each. Mr Soren Ravn who is a Director of CBMB is also the director of LHF.

List of Recurrent Related Party Transactions

The breakdown of the aggregate value of the recurrent related party transactions entered into by the Group pursuant to the shareholders' mandate obtained during the 42nd AGM held on 26 April 2012 is as follows:

Transacting Parties	Interested Related Parties	Nature of Transaction	Actual Value Transacted 27 April 2012 - 4 March 2013 (RM' million)
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (hops, yeast, aroma etc) and related services from CBAS	1.00
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Provision of administrative support and property leasing services to CBAS	0.19
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Provision of administrative support services from CBAS	4.37
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Royalties payable to CBAS for inter alia, the exclusive use of trademark licences and supply of technical and commercial assistance	32.91
CBGL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from CBGL	0.00
DMG and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (malts) from DMG	0.33
CUKL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products and services from CUKL	0.02
DMG Polska and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (malts) from Polska	0.00
SSSp and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (malts) from SSSp	0.85
CIT and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of IT services from CIT	0.38
CGPAG and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of materials and services (A&P items) from CGPAG	10.50
BK and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from BK	0.92
CSAB and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from CSAB	1.90
CHKL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchases of beverage products by CHKL	0.18

List of Recurrent Related Party Transactions

Transacting Parties	Interested Related Parties	Nature of Transaction	Actual Value Transacted 27 April 2012 - 4 March 2013 (RM' million)
SOAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from SOAS	1.28
HVTB and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from HVTB	8.38
LHA and the Group	Kenneth Soh Chee Whye and LHA	Rental of property	0.67
BSB and the Group	Kenneth Soh Chee Whye and LHA	Rental of property	0.07
EKSB and the Group	Kenneth Soh Chee Whye and LHA	Sale and supply of goods to EKSB	3.32

Notes:

1) The above actual value of the recurrent related party transactions is for the period from 27 April 2012 to 4 March 2013.

2) The nature of relationship between the above related parties and Carlsberg Brewery Malaysia Berhad ("the Company") is as follows:

   (i) CBAS is the holding company and major shareholder of the Company, holding an equity interest of 51.0% in the Company as at 4 March 2013.

   (ii) Roy Enzo Bagattini, Graham James Fewkes and Roland Arthur Lawrence, who are Non-Executive Directors of the Company are the Senior Vice-President, Asia of CBAS, the Commercial Vice-President, Asia of CBAS and Vice President Finance, Asia of CBAS respectively. Soren Ravn is the Managing Director of the Company. All the four Directors namely, Roy Enzo Bagattini, Graham James Fewkes, Roland Arthur Lawrence and Soren Ravn are nominees/representatives of CBAS and do not hold any shares in CBAS nor the Company.

   (iii) CBGL, DMG, DMG Polska, CIT, CUKL, SSSp, CGPAG, BK, HVTB, SOAS, CHKL and CSAB are subsidiaries of CBAS and do not hold any direct equity interest in the Company as at 4 March 2013.

   (iv) LHFB is a subsidiary of the Company and is in the business of selling and supplying alcoholic and non-alcoholic beverages. The Company and LHA hold 70% and 30% equity interest respectively in LHFB.

   (v) Kenneth Soh Chee Whye ("KSCW") is a director of LHFB, LHA, EKSB and BSB.

   (vi) KSCW holds 28.51% equity interest in LHA.

   (vii) Soh Yan Holdings Sdn Bhd ("SYHSB") holds 35% equity interest in EKSB. KSCW holds 28.5% equity interest in SYHSB.

   (viii) LHA holds 95% equity interest in BSB.

Abbreviations:

BSB - Beerite (M) Sdn Bhd
BK - Brasseries Kronenbourg SAS
CBAS - Carlsberg Breweries A/S
CBGL - Carlsberg Brewery (Guangdong) Ltd
CGPAG - Carlsberg Group Procurement AG
CHKL - Carlsberg Hong Kong Ltd
CIT - Carlsberg IT A/S
CSAB - Carlsberg Sverige AB
CUKL - Carlsberg UK Limited
DMG - Danish Malting Group A/S
DMG Polska - Danish Malting Group Polska
EKSB - Eurobier Koncepts Sdn. Bhd.
HVTB - Ha Noi Vung Tau Beer Joint Stock Company
LHA - Luen Heng Agency
LHFB - Luen Heng F&B Sdn Bhd
SOAS - Saku Olletehase AS
SSSp - Slodownia Strzegom Sp.z.o.o.
Group - Carlsberg Brewery Malaysia Berhad and its wholly-owned subsidiaries, namely Carlsberg Marketing Sdn. Bhd., Euro Distributors Sdn. Bhd. and Carlsberg Singapore Pte Ltd.

Notice of 43rd Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Third (43rd) Annual General Meeting of the Company will be held at Sunway Pyramid Convention Center, Level CP3, No 3 Jalan PJS 11/15, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Friday, 26 April 2013 at 11.00 a.m. for the following purposes:

Agenda:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Directors' and Auditors' reports thereon. **Ordinary Resolution 1**
2. To approve a payment of a Final and Special Single Tier Dividend of 58 sen per RM0.50 share in respect of the financial year ended 31 December 2012. **Ordinary Resolution 2**
3. To approve the payment of Directors' fees of RM160,000 for the financial year ended 31 December 2012. **Ordinary Resolution 3**
4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

Special Business

5. To consider, and if thought fit, to pass the following Resolutions:-

   RE-ELECTION OF DIRECTORS

   (a) **THAT** Roy Enzo Bagattini, who retires pursuant to Article 92(a) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company. **Ordinary Resolution 5**

   (b) **THAT** Roland Arthur Lawrence, who retires pursuant to Article 92(e) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company. **Ordinary Resolution 6**

6. To consider, and if thought fit, to pass the following Resolutions in accordance with Section 129 of the Companies Act, 1965:-

   RE-APPOINTMENT OF DIRECTORS

   "**THAT** pursuant to Section 129 of the Companies Act, 1965, the following Directors who are over the age of seventy (70) years, be and are hereby re-appointed as Directors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company:

   (a) Dato' Lim Say Chong; and **Ordinary Resolution 7**

   (b) Datuk M.R. Gopala Krishnan C.R.K. Pillai." **Ordinary Resolution 8**

7. To consider, and if thought fit, to pass the following Resolutions, with or without modifications, as Ordinary Resolutions of the Company:

AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **Ordinary Resolution 9**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 10**

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(a) of the Circular to Shareholders dated 4 April 2013 ("the Related Party") provided that such transactions are:

(a) necessary for the day-to-day operations;

(b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and

(c) are not prejudicial to the minority shareholders of the Company

("the Shareholders' Mandate").

THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) is revoked or varied by resolution passed by shareholders in a general meeting;

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

Notice of 43rd Annual General Meeting

9. To consider, and if thought fit, pass with or without modifications, the following Resolution:

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE **Ordinary Resolution 11**

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(b) of the Circular to Shareholders dated 4 April 2013 ("the Related Party") provided that such transactions and/or arrangements are:-

(a) necessary for the day-to-day operations;

(b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and

(c) are not prejudicial to the minority shareholders of the Company

("the Shareholders' Mandate").

THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

10. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE CHAIRMAN** **Ordinary Resolution 12**

"**THAT** subject to the passing of Ordinary Resolution 7, authority be and is hereby given to Dato' Lim Say Chong who has served as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."

11. To consider any other business of which due notice shall be given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

Notice of Dividend Payment and Closure of Register

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Forty-Third (43rd) Annual General Meeting to be held on Friday, 26 April 2013, a Final and Special Single Tier Dividend of 58 sen per RM0.50 share in respect of the financial year ended 31 December 2012 will be payable on 20 May 2013 to shareholders registered in the Register of Members and Record of Depositors at the close of business on 6 May 2013.

A depositor shall qualify for entitlement to the dividends only in respect of:

(a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 6 May 2013 in respect of ordinary transfers;

(b) Shares deposited into the Depositor's securities account before 12.30 p.m. on 2 May 2013 (in respect of shares which are exempted from mandatory deposit); and

(c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Lew Yoong Fah (MIA 10936)
Secretary

Shah Alam
4 April 2013

Notice of 43rd Annual General Meeting

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint ONE person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. If a Member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 50(9)(a) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 19 April 2013 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory Notes on Special Business

(i) Ordinary Resolutions 5 and 6– Re-election of Directors

The business on re-election of Directors that is to be transacted at the Annual General Meeting is deemed special pursuant to Article 51 of the Articles of Association of the Company.

(ii) Ordinary Resolutions 7 and 8 – Re-appointment of Directors pursuant to Section 129 of the Companies Act, 1965

The re-appointment of Dato' Lim Say Chong and Datuk M.R. Gopala Krishnan C.R.K. Pillai, persons over the age of 70 years as Directors of the Company to hold office until conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolutions are passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' specifying the intention to propose the Resolutions have been duly given.

(iii) Ordinary Resolution 9 – Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965

This resolution is proposed pursuant to Section 132D of the Companies Act, 1965, and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue shares in the Company up to and not exceeding in total ten per cent (10%) of the issued and paid-up share capital of the Company for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This mandate is a renewal of the last mandate granted to the Directors at the Forty-Second (42nd) Annual General Meeting held on 26 April 2012 and which will lapse at the conclusion of the Forty-Third (43rd) Annual General Meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the last mandate.

The renewal of this mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

(iv) Ordinary Resolution 10 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

The detailed text on Ordinary Resolution 10 on the Proposed Renewal of Shareholders' Mandate is included in the Circular to Shareholders dated 4 April 2013 which is enclosed together with the Annual Report.

(v) Ordinary Resolution 11 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")

The detailed text on Ordinary Resolution 11 on the Proposed New Shareholders' Mandate is included in the Circular to Shareholders dated 4 April 2013 which is enclosed together with the Annual Report.

(vi) Ordinary Resolution 12 – Continuing in Office as Independent Non-Executive Chairman

Dato' Lim Say Chong has served the Board as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of nearly ten (10) years. The Board has recommended him to continue to act as an Independent Non-Executive Chairman based on the following justifications:-

a. He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;

b. He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion; he exercises independent judgement and has the ability to act in the best interest of the Company;

c. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;

d. He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director and Chairman of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

e. He has been providing continuity with three (3) changes of Managing Directors in his nearly ten (10) years on the Board.

Form of Proxy

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No. 9210-K)
(Incorporated in Malaysia)

NO. OF SHARES HELD	

I/We ______________________________ I.C/Passport/Company No. ______________

of ____

being a member of the abovenamed Company, hereby appoint ______________________

I.C/Passport No. ______________ of ______________________________

or failing him/her ______________________________ I.C/Passport No. ______________

of ____

OR the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty-Third (43rd) Annual General Meeting of the Company to be held on Friday, 26 April 2013 at 11.00 a.m., and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):

		FOR	AGAINST
Ordinary Resolution 1	Receipt of the Directors' and Auditors' Reports and Audited Financial Statements for the financial year ended 31 December 2012.		
Ordinary Resolution 2	Payment of a Final and Special Single Tier Dividend.		
Ordinary Resolution 3	Approval of Directors' fees of RM160,000 for the financial year ended 31 December 2012.		
Ordinary Resolution 4	Re-appointment of KPMG as auditors and to authorize the Directors to determine their remuneration.		
Ordinary Resolution 5	Re-election of Roy Enzo Bagattini as Director.		
Ordinary Resolution 6	Re-election of Roland Arthur Lawrence as Director.		
Ordinary Resolution 7	Re-appointment of Dato' Lim Say Chong as Director.		
Ordinary Resolution 8	Re-appointment of Datuk M.R. Gopala Krishnan C.R.K. Pillai as Director.		
Ordinary Resolution 9	Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 10	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 11	Proposed new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 12	Continuing in office for Dato' Lim Say Chong as an Independent Non-Executive Chairman.		

Please indicate with a tick (√) how you wish your vote to be cast in respect of each resolution above.

As witness my/our hand this ______________________ day of ______________ 2013.

Signed by the said ____

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint ONE person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 50(9)(a) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 19 April 2013 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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affix
stamp
here

SHARE REGISTRAR
CARLSBERG BREWERY MALAYSIA BERHAD (9210-K)
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

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Corporate Information

Directors

Dato' Lim Say Chong
J.S.M., D.M.P.N.
Chairman

Soren Ravn
Managing Director

Datuk M.R. Gopala Krishnan C.R.K. Pillai
P.J.N., F.C.P.A
Senior Independent
Non-Executive Director

Roy Enzo Bagattini
Non-Executive Director

Graham James Fewkes
Non-Executive Director

Roland Arthur Lawrence
Non-Executive Director

Company Secretary

Lew Yoong Fah
(MIA No. 10936)

Auditors

KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603 7721 3388
Fax : +603 7721 3399

Principal Bankers

AmBank (M) Berhad
(Company No. 8515-D)

Citibank Berhad
(Company No. 297089)

Public Bank Berhad
(Company No. 1295)

The Royal Bank of Scotland Berhad
(Company No. 301932-A)

Registered Office and Principal Place of Business

No. 55, Persiaran Selangor,
Section 15,
40200 Shah Alam,
Selangor Darul Ehsan.
Tel : +603 5522 6688
Fax : +603 5519 1931
Email : info@carlsberg.com.my
Website : www.carlsberg.com.my

Share Registrar

Tricor Investor Services Sdn Bhd
(Company No. 118401-V)
Level 17, The Gardens, North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel : +603 2264 3883
Fax : +603 2282 1886

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Carlsberg Brewery Malaysia Berhad (9210-K)

No. 55, Persiaran Selangor, Section 15,
40200 Shah Alam, Selangor Darul Ehsan,
Malaysia.
Tel : +603 5522 6688
Fax : +603 5519 1931
www.carlsberg.com.my
www.carlsbergmalaysia.com.my